

Monday, 16th November, 1931

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

Volume VII, 1931

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(4th to 20th November, 1931)

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SECOND SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY, 1931



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# Legislative Assembly.

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**MIAN MUHAMMAD SHAH NAWAZ, C.I.E. M.L.A.**

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# LEGISLATIVE ASSEMBLY.

Monday, 16th November, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

## QUESTIONS AND ANSWERS.

### INQUIRY INTO FIRING AT THE HIJLI DETENTION CAMP.

1294. \***Mr. Lalchand Navalrai:** (a) Are Government aware that the 'Hijli' Committee has submitted its report on the Hijli detention camp incident?

(b) If so, will Government be pleased to make a full statement on the same?

(c) What do Government propose to do with those responsible for unjustified indiscriminate firing?

(d) Is it a fact that the aforesaid committee has held that the indirect cause of the outbreak was the lack of a responsible officer in the camp at night when it was controlled entirely by sepoys and havildars?

(e) How have Government dealt with that officer?

**The Honourable Sir James Ormer:** (a) Yes.

(b) and (d). A copy of the report has been placed in the Library.

(c) and (e). It is for the Local Government to take such action as may be necessary. I understand that the report is under their consideration.

### RESULTS OF MALARIA RESEARCH AND RETRENCHMENT OF THE MALARIA SURVEY OF INDIA.

1295. \***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state the whole strength of the Malaria Research Department of India and the cost of it?

(b) Who is the head of the Department and what are his salary and allowances?

(c) What results of the research have they shown during the last five years?

(d) Does this Department do any practical work in combating malaria, or is it restricted to only research work?

(e) Has any retrenchment committee considered the desirability or otherwise of retrenching this Department?

(f) If so, what has been the result? If not, do Government propose to investigate this matter themselves? If not, what are the reasons?

**Sir Frank Noyce:** (a) Including all menial and subordinate personnel the Malaria Survey of India, to which the Honourable Member is evidently referring, has a strength of 32 at present. The cost varies, but may be taken at about Rs. 1,70,000 per annum.

(b) Lieutenant-Colonel J. A. Sinton, V.C., O.B.E., I.M.S., his salary and allowances are as follows:—basic pay of rank (at present) Rs. 1,500 per mensem, bacteriological allowance Rs. 250 per mensem, Director's allowance Rs. 200 per mensem; allowance in lieu of free quarters Rs. 150 per mensem, total Rs. 2,100 per mensem, with overseas pay of £30 in addition.

(c) The results of the research work conducted by the Survey are published in the Indian Journal of Medical Research and its Memoirs, the Records of the Malaria Survey of India, and in special publications and reports.

(d) The research work done is not confined to the laboratory, but includes practical aims and objects.

(e) and (f). The Survey is not a Department of the Government of India and the question of continuing it is one for the Indian Research Fund Association, which maintains it and which is fully alive to the necessity for economy.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to say with regard to clause (c) of the question, if these publications are in the Library?

**Sir Frank Noyce:** I am not sure, but I shall be happy to send the Honourable Member copies of them if he would like to have them.

**Mr. Lalchand Navalrai:** Thanks very much. With regard to the latter portion of (e) and (f), I understood the Honourable Member to say that it is not within the power of the Government of India. Then is that in the hands of the Secretary of State? I am talking about retrenchment.

**Sir Frank Noyce:** No, Sir. It is in the hands of the Indian Research Fund Association, which is an independent body though it receives a large subsidy from the Government.

**Mr. Lalchand Navalrai:** Does that institution get anything from the Government?

**Sir Frank Noyce:** I have already said that it receives a large subsidy from the Government. It is subsidised by the Government although it is itself an independent body.

**Mr. Lalchand Navalrai:** May I therefore understand that the Government cannot make any suggestions regarding retrenchment to them?

**Sir Frank Noyce:** The question of reducing the grant to the Indian Research Fund Association is under consideration, and the Research Fund Association will doubtless conduct their activities in the light of such funds as they receive from the Government.

**Dr. Ziauddin Ahmad:** Is it not a fact that the Indian Research Fund Association has already retrenched its expenditure by about Rs. 3 lakhs?

**Sir Frank Noyce:** That is, I believe, the case.

ANNUAL MIGRATION TO KASULI OF THE SIND MALARIA INQUIRY DEPARTMENT.

1296. \***Mr. Lalchand Navalrai:** (a) Are Government aware that there is a Malaria (Sind Branch) Inquiry Department existing in Sind?

(b) Where is its headquarters?

(c) Is it a fact that members of the Sind Malaria Inquiry including the peons migrate for four months out of the year to Kasauli with their families at Government cost?

(d) How much does that cost Government and how do Government justify the same?

(e) Do Government propose to retrench this item?

**Sir Frank Noyce:** (a) and (b). Yes. An enquiry financed and constituted by the Indian Research Fund Association and directed by the Malaria Survey of India from Kasauli is at work in Sind.

(c) No.

(d) and (e). Do not arise.

SCHOOLS OF INSTRUCTION FOR RAILWAY EMPLOYEES AT DEHRA DUN AND KOT LAKHPAT.

1297. \***Mr. Lalchand Navalrai:** (a) Is it a fact that there is a school of instruction at Dehra Dun for railway employees of the State Railways?

(b) Are Government aware that there is also a school for the same purpose at Kot Lakhpat?

(c) Will Government be pleased to state if these schools are intended for new recruits for the railway service or also for the already employed servants including experienced servants and of advanced age?

(d) If the answer to the above be that experienced and aged employees are also sent there for training, will Government be pleased to state the necessity for doing so; and how much will Government save by stopping such a course?

(e) Is it a fact that such officers are given there theoretical instruction which they have to commit to memory?

(f) Do practical and experienced officers of railways have any necessity for receiving such instruction and has it done any practical good to the railways through such trained employees? If so, will Government place on the table facts and figures regarding the same?

**Mr. A. A. L. Parsons:** (a), (b) and (c). The Railway Staff College is located at Dehra Dun. It provides courses of instruction for senior scale and junior scale officers and probationary officers of all Indian railways. It also provides a special course of instruction for senior subordinates of all Indian railways.

The school at Kot Lakhpat (Lahore) provides courses of instruction for members of the subordinate establishments, including new recruits, of the North Western Railway only and a few courses of instruction for probationary officers serving on that railway.

(d) Government consider that selected senior scale officers and senior subordinates profit by attending special courses of instruction. Only a limited number of such officials attend such courses of instruction in any

year, and the cost involved is small. The question of reducing the attendance at such courses is under consideration.

(e) The courses of instruction are essentially practical.

(f) Government are convinced that officers who have attended the courses of instruction at the Staff College, Dehra Dun, have increased their knowledge by such attendance. In consequence Government expect that their efficiency will also increase.

As regards the Honourable Member's request for facts and figures, I would point out that it is not possible definitely to ascribe particular economies introduced on railways to the fact that some of the officers responsible for them have been through these courses of instruction.

**Mr. Lalchand Navalrai:** I did not hear the Honourable Member and therefore he is saved supplementary questions.

**Dr. Ziauddin Ahmad:** Does not the Honourable Member consider that the Staff College is an expensive luxury in these days?

**Mr. A. A. L. Parsons:** Is the Honourable Member referring to the College at Dehra Dun?

**Dr. Ziauddin Ahmad:** Yes.

**Mr. A. A. L. Parsons:** The views of the Railway Board, so far as they have yet been formulated, will be found by the Honourable Member in item 145 of the statement dealing with the recommendations of the Retrenchment Sub-Committee of which he was a member.

**Dr. Ziauddin Ahmad:** May I just remind the Honourable Member that the Railway Retrenchment Sub-Committee did not examine the Staff College and said that they would like to examine it, and in their report they have expressed their doubts about it?

#### DEPARTMENTAL VICTIMISATION OF RAILWAY SERVANTS APPEARING BEFORE THE COURT OF INQUIRY AT BOMBAY.

1298. **\*Mr. K. P. Thampan** (on behalf of Mr. S. G. Jog): (a) Is it a fact that some of the Railway servants who have offered themselves as witnesses before the Court of Inquiry at Bombay have been victimised or punished or troubled in any way by the Department?

(b) If any such men have been in any way punished, do Government propose to take steps to remedy the wrong?

(c) Do Government propose to issue instructions for not taking any such steps against the witnesses appearing before the Court of Inquiry?

**Mr. A. A. L. Parsons:** (a) Government have received no information to this effect.

(b) Government feel sure that Agents of railways will take proper measures to redress any real grievances of the character referred to if they exist.

(c) Government do not consider it necessary to issue special instructions to Agents of railways, who are aware that it is their duty to render every possible assistance to the Court of Enquiry.



GOVERNMENT LOANS FROM INDIAN STATES.

1299. **\*Mr. K. P. Thampan** (on behalf of Mr. S. G. Jog): (a) Is it a fact that the Government of India are negotiating some loans with Native States?

(b) If the reply to part (a) be in the affirmative, what are the States with which such negotiations are going on?

(c) What is the rate of interest proposed or settled or what are the other terms of settlement, if any?

**The Honourable Sir George Schuster:** (a) The Government of India are not negotiating for any loans from Indian States.

(b) and (c). Do not arise.

PROVIDENT FUND SCHEME FOR GOVERNMENT SERVANTS.

1300. **\*Mr. K. P. Thampan** (on behalf of Mr. S. G. Jog): With reference to question No. 74 of 15th September, 1931, asked by the Honourable Shri Jagannath Maharaj Pandit in the Council of State, will Government be pleased to lay on the table the tentative conclusions which they have arrived at in respect of the Provident Fund Scheme and to state whether it will be given effect to before the end of this year in accordance with the assurance given by Government on 18th February, 1931? If not, why not?

**The Honourable Sir George Schuster:** The tentative conclusions arrived at are based on incomplete data, and Government regret they are not in a position to lay them on the table of the House.

The position as regards the assurance given by Government in the Council of State on the 18th February, 1931, is still as described in the reply given on the 21st September, 1931, to part (a) of question No. 600 asked on the Honourable Member's behalf by Sardar G. N. Mujumdar.

LOCATION OF THE INDIAN SANDHURST.

1301. **\*Mr. K. P. Thampan** (on behalf of Mr. S. G. Jog): (a) Have Government come to any final decision in the matter of the location of the Indian Military Sandhurst?

(b) If so, will Government announce the place where the college will be located?

(c) Have Government made any progress for the establishment of this college?

(d) When do Government propose to open this college?

(e) Have Government decided or proposed any arrangement for the examination of the entrants to this college?

(f) Do Government propose to announce that arrangement at an early date?

**Mr. G. M. Young:** (a) and (b). A final decision has not been reached; but the College will probably be located at Dehra Dun.

(c) Yes.

(d) and (e). It is the intention to open the College in the autumn of 1932, and to hold the first entrance examination in or about June 1932.

(f) Government will make an announcement as soon as these matters have been finally settled.

**TRAVEL OF A LEPER IN THE BOMBAY-CALCUTTA MAIL.**

1302. **\*Mr. K. P. Thampan** (on behalf of Mr. S. G. Jog): Is it a fact that on the Bombay Calcutta Mail *via* Nagpur a leper was sleeping in compartment No. 3883?

(b) Is it a fact that it is against railway laws or rules to allow a leper to travel by passenger train?

(c) What arrangement in the interests of public health and hygiene is made in railways for the travel of lepers?

(d) Is it a fact that the railway officials did not take immediate steps in the matter of disinfection of the carriage, although requested by the passengers in that compartment?

(e) Is it a fact that the passengers, D. B. Shindekur, a Government pensioner, and Mr. G. S. Joshi, Professor, Rajkumar College, complained of the matter to the railway officials?

**Mr. A. A. L. Parsons:** (a) and (e). The Railway Board have received no report of this occurrence.

(b) and (c). Briefly the position is that under the Railway Act a Railway Administration may refuse to carry persons suffering from an infectious or contagious disorder, such as leprosy, except under prescribed conditions, and that the prescribed conditions prohibit any passenger suffering from an infectious or contagious disorder from being carried in any train unless he has engaged a reserved compartment for himself, and unless all necessary arrangements have been made to segregate him and his attendants from other persons during the whole time he is on the railway. The rules also require the disinfection of the carriage immediately after its arrival at its destination.

(d) The Railway Board attach much importance to the strict observance of these rules, and if the Honourable Member will kindly let me know whether it was on the Bengal Nagpur Railway or the Great Indian Peninsula Railway that the incident mentioned in his question took place, they will have an immediate enquiry made.

**PRICES OF CERTAIN GOVERNMENT PUBLICATIONS.**

1303. **\*Rai Sahib Harbilas Sarda:** (a) Will Government state the principle on which the sale prices of Government publications are fixed?

(b) Will Government state the reason why the list of officers of the Survey of India, corrected up to 1st January, 1931, consisting of 86 pages, including cover, is priced only at Rs. 1-4-0 or 2 shillings, while the list of ministerial and lower subordinate staff in the Survey of India on 1st April, 1930, Part I, containing 112 pages of the same size and printed on the same paper as the list of officers is priced at Rs. 6-6-0, or 10 shillings?

(c) Are Government aware that in consequence of the prices fixed as above, a ministerial servant has to pay for a copy of the list of his establishment, more than three times the price, which a gazetted officer has to pay for the list of his own establishment?

**The Honourable Sir Joseph Bhore:** Enquiry is being made and a reply will be furnished to the Honourable Member in due course.

**INSOLVENT CLERKS OF THE OFFICE OF THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.**

**1304. \*Bhai Parma Nand:** (a) Is it a fact that some clerks employed in the office of the Director-General, Indian Medical Service, have made their applications in the Court of the Judge, Small Causes, Delhi, for insolvency during 1930-31? If so, will Government please state the names of such clerks together with their pay?

(b) What were the reasons advanced by each individual for such a step and what is the total amount each of them owed to their creditors?

(c) Will Government kindly state the disciplinary action taken against each individual under the Government Servants' Conduct Rules? If no action was taken, what are the reasons? If no action was taken, do Government propose taking action now; and if so, what?

**Sir Frank Noyce:** (a) and (b). Government understand that a clerk in the office of the Director-General, Indian Medical Service, has recently filed an insolvency petition in an Insolvency Court, but he is at present on sick leave, and details are not available.

(c) Disciplinary action under the Government Servants' Conduct Rules is bound to follow at the proper stage.

**Mr. Lalchand Navalrai:** Has the clerk been yet declared an insolvent or not?

**Sir Frank Noyce:** As far as I am aware, he has only filed a petition. He has not yet been adjudged or declared an insolvent.

**PREPARATION OF DAILY WEATHER REPORTS.**

**1305. \*Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) whether the preparation of the daily weather report by the Meteorological Department at Madras has been decided to be discontinued;
- (b) what the other weather stations in this country are and whether the preparation of the weather report at any such station has also been decided to be discontinued;
- (c) if the answer to part (b) is in the negative, why this should be done at Madras alone;
- (d) if it is a fact that the weather station at Madras has been reduced to one of a pilot balloon station;
- (e) whether the Local Government was consulted in the matter before the decision was arrived at; and
- (f) whether Government propose to make any other arrangement for the publication of the weather report for the Madras Presidency?

**The Honourable Sir Joseph Bhore:** (a) Yes.

(b) and (c). The other stations which issue weather reports are:	
Poona.	Delhi.
Calcutta..	Karachi, and
Bombay.	Rangoon.

It has been decided to discontinue the issue of reports from Delhi and Rangoon in addition to those from Madras.

(d) The Government have decided to reduce the Madras Observatory to the status of a pilot balloon station.

(e) No.

(f) The reports for the Madras Presidency are included in the all-India weather reports which are issued from Poona.

**Mr. K. P. Thampan:** May I know what will be the saving effected by reducing the Madras Observatory?

**The Honourable Sir Joseph Bhoré:** If my Honourable friend means to ask what will be the financial saving, I am afraid I cannot give him the figures offhand, but I shall be glad to furnish him with the information.

**Mr. K. P. Thampan:** Since the Government decided to discontinue the publication, has the Madras Government protested against it?

**The Honourable Sir Joseph Bhoré:** I believe they have.

**Mr. K. P. Thampan:** Having regard to the protest made by the Madras Government and the maritime importance of the Madras Presidency, which has the Bay of Bengal on one side and the Arabian sea on the other, and in view of the fact that large numbers of ships call at the ports on these coasts, will Government be pleased to reconsider their decision?

**The Honourable Sir Joseph Bhoré:** I have no doubt my Honourable friend is anxious for retrenchment, but he seems to be anxious that economy should be at some one else's expense. As a matter of fact these reports for the Madras Presidency will still continue to be published, but they will be published from Poona instead of from Madras.

**Mr. K. P. Thampan:** May I say that I am very anxious to effect retrenchments, but when you make retrenchment you must pay due regard to the importance of the subject. Can Government retrench by doing away with all the Executive Council Members? If must be a judicious pruning. May I urge the Government to reconsider their decision in view of the importance of the subject to Madras?

**The Honourable Sir Joseph Bhoré:** I have listened carefully to my Honourable friend's speech in this matter.

#### APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

1306. **\*Mr. Amar Nath Dutt:** (a) Will Government please state whether they have acted in accordance with the procedure cited in the middle portion of the answer to Mr. S. C. Mitra's starred question No. 472 (a) and (b) of the 5th March, 1930 (i.e., "The posts were filled up by the technically trained mechanics who were all ex-apprentices, it being considered by the Agent that they had prior claims to their juniors who would be completing their apprenticeship at a later date)" in respect of the Indian apprentices who completed their training in 1930 on the East Indian Railway?

(b) If the answer to part (a) be in the affirmative, will Government please state why Messrs. Smith, Sim, Platts, Gibbons and Nandi have been appointed in preference to the apprentices of 1930, who secured very high positions in the examination?

**Mr. A. A. L. Parsons:** With your permission Sir, I propose to reply to questions Nos. 1306, 1307, 1308, 1311, 1314 and 1315 together. I have called for certain information from the Agent, East Indian Railway, and will communicate with the Honourable Member as soon as I have received it.

#### APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

†1307. **\*Mr. Amar Nath Dutt:** (a) Will Government be pleased to state whether the *ex*-apprentices of Lillooah Workshop are qualified for the posts of Electricians and Train Examiners under Divisional Superintendents and whether they have been taken in as such? If so, what is the number of Anglo-Indians and Indians taken in as such?

(b) Is it a fact that in 1930, one Anglo-Indian (*ex*-apprentice of Lillooah workshop) was appointed as Train Examiner in Howrah Division, while no Indian was appointed although qualified Indians were available?

(c) Do Government propose to take in such apprentices as Electricians and Train Examiners and issue orders to Divisional Superintendents to this effect? If not, why not?

#### APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

†1308. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that all apprentices who have completed their training successfully from Lillooah Workshop and were not provided with posts, are all on the waiting list in the workshop establishment at Lillooah?

(b) If the answer to part (a) be in the affirmative, will Government please state whether Messrs. Smith, Sim, Platts, Gibbons and Nandi have been appointed, ignoring the claims of senior apprentices of 1930? If so, why?

#### APPOINTMENT OF EAST INDIAN RAILWAY APPRENTICES TO THE TECHNICAL AND FOLLOWER CORPS OF THE INDIAN AIR FORCE, KARACHI.

1309. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that the Deputy Director Railway Board has written to the Agent, East Indian Railway, in a letter that he would see ways and means to provide for the trained apprentices in the Indian Air Force wing of the Indian Technical and Follower Corps of the Indian Air Force, in Karachi?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether any information to this effect was given to *ex*-apprentices? If not, why not?

**Mr. A. A. L. Parsons:** (a) Agents of State-managed railways were asked to supply a statement to the Railway Board giving particulars of persons who had completed the apprentice mechanics course on railways and who desired to be considered for appointment to the Indian Air Force Wing of the Indian Technical and Followers Corps of the Indian Air Force.

† For answer to this question, see answer to question No. 1306.

(b) Government are not aware of the precise procedure followed by the Agent, East Indian Railway, but I have ascertained that the recent Selection Board interviewed a number of ex-apprentices.

#### APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

1310. **\*Mr. Amar Nath Dutt:** (a) With reference to the answer to Mr. S. C. Mitra's starred question No. 297 (c) of the 10th September, 1929, will Government be pleased to state whether they have issued any detailed instruction in the matter of limiting the number of First Grade bound apprentices in the East Indian Railway Workshop, Lillooah?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to lay a copy of the instruction on the table?

(c) Will Government please state how many apprentices have been taken in 1930 and 1931?

**Mr. A. A. L. Parsons:** (a) Yes.

(b) Attention is invited to rule 111 of the rules for the recruitment and training of Apprentice Mechanics and Trade Apprentices in the mechanical workshops of State-managed railways, which are in the Library of the House.

(c) I have called for information from the Agent, East Indian Railway and will communicate with the Honourable Member on its receipt.

#### APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

†1311. **\*Mr. Amar Nath Dutt:** (a) Do Government propose to stop recruitment of First Grade bound apprentices in the East Indian Railway Workshop, Lillooah, till all the apprentices are provided with posts?

(b) If the answer to part (a) be in the negative, will Government please state what endeavour is being made to provide the surplus ex-apprentices, with posts in the East Indian Railway establishment?

#### APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

1312. **\*Mr. Amar Nath Dutt:** (a) With reference to the answer to Mr. S. C. Mitra's starred question No. 472 (a) and (b) of the 5th March, 1930 (regarding posts for trained apprentices on the East Indian Railway), will Government please state whether they have issued general orders applicable to all State-managed railways relating to the recruitment, training, and appointments of apprentices after their workshop training? If not, why not?

(b) If the answer to part (a) be in the affirmative, will Government please lay a copy of the order on the table?

**Mr. A. A. L. Parsons:** (a) Rules for the recruitment and training of Apprentice Mechanics and Trade Apprentices in the mechanical workshops of State-managed railways were issued to all State-managed railways in July 1930.

(b) A copy of the Rules is in the Library of the House.

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†For answer to this question, see answer to question No. 1306.

**RACIAL DISCRIMINATION IN TRAINING OF CERTAIN APPRENTICES AT JAMALPORE.**

**1313. \*Mr. Amar Nath Dutt:** (a) Will Government please state whether Messrs. Smith and Sim were selected for heat treatment training at Jamal-pore and no Indian was given that chance?

(b) Is it a fact that there were, in the Lillooah Workshop, Indian apprentices who could have been selected for heat treatment training at Jamal-pore?

(c) If the answer to part (b) be in the affirmative, will Government please state whether they made any endeavour to select the apprentices for heat treatment training at Jamal-pore from among Indian apprentices?

(d) If the answer to part (b) be in the negative, will Government please state the reasons for not selecting the Indian apprentices and what were the grounds for selecting two Europeans and Anglo-Indians and what were their qualifications?

(e) Will Government please state whether they propose to select ap-prentices in future for heat treatment training at Jamal-pore according to their merits without setting any racial value on their caste or creed? If not, why not?

**Mr. A. A. L. Parsons:** (a) to (d). Messrs. Smith and Sim were the first two selected for such training and two Indians are at present receiving the same training.

(e) Further selections will be made as those in the past have been, entirely on the grounds of suitability for this character of work.

**APPRENTICES TRAINED IN THE LILLOOAH WORKSHOPS.**

**†1314. \*Mr. Amar Nath Dutt:** Is it a fact that the reply given to Mr. S. C. Mitra's starred question No. 467 of the 5th March, 1930 (regarding apprentices trained in the Lillooah Workshops in 1929) is not correct in that Mr. Panna Lal Banerji did not complete his training in 1929; and only one Indian (Mr. A. Beg) and five Anglo-Indians were appointed?

**APPOINTMENT AND PROMOTION OF AN "OUTSIDER" IN THE LILLOOAH WORKSHOPS.**

**†1315. \*Mr. Amar Nath Dutt:** (a) Is it a fact that an outsider has been appointed as a mechanic in the saw mills in the beginning of this year on Rs. 390 in the Lillooah Workshops?

(b) Is it a fact that the said gentleman is now officiating as Foreman in that shop?

(c) If the answer to part (a) be in the affirmative, will Government please state what considerations were made in favour of the mechanics who were in service or of the successful ex-apprentices who are still unemployed?

(d) If the answer to part (b) be in the affirmative, with reference to the answer to Mr. S. C. Mitra's starred question No. 466 (b) of the 5th March, 1930, will Government please state what consideration was made to the Assistant Foreman of that shop and what were the grounds for selecting him (an outsider) as Foreman?

† For answer to this question, see answer to question No. 1306.

### NON-TRANSFER OF THE WORKS MANAGER, LILLOOAH WORKSHOPS.

**1316. \*Mr Amar Nath Dutt:** (a) Will Government please state if there is any limit to the maximum period of time for which one gazetted railway officer is allowed to remain in the East Indian Railway establishment, Lillooah, during his tenure of office?

(b) Will Government please state whether the post of Works Manager in the Lillooah Workshop is transferable?

(c) Will Government please state for how many years the Works Manager has been holding his post in the East Indian Railway Workshop, Lillooah?

**Mr. A. A. L. Parsons:** (a) There is no limit to the tenure of any of the gazetted posts in the workshop establishment at Lillooah.

(b) No.

(c) I have called for information from the Agent, East Indian Railway, and will communicate with the Honourable Member on its receipt.

### INCOME-TAX WORK IN BIHAR AND ORISSA.

**1317. \*Maulvi Badi-uz-Zaman:** Will Government be pleased to state:

(a) the number of Income-tax assesseees in Bihar and Orissa as it stood on 31st March, 1930, and 31st March, 1931;

(b) the number of Income-tax appeals filed during the financial years 1929-30 and 1930-31;

(c) the number of appeals which each Income-tax Assistant Commissioner is ordinarily required to hear, and the number of assessment cases which each Income-tax Officer is ordinarily required to do in a year;

(d) if there is any standard of work fixed for each officer;

(e) what is the duty of the new post, called Inspector-Accountant; and

(f) why was this post created and has it been recognised by the law of the land?

**The Honourable Sir George Schuster:** (d) and (b). I lay a statement on the table.

(c) and (d). No definite standard has been prescribed in regard to the number of appeals to be heard by Assistant Commissioners, since that is not the only factor to be considered in forming their territorial charges.

In regard to Income-tax officers also there is no rigid standard. According to circumstances an Income-tax Officer is expected to dispose of from 700 to 1,000 cases in a year. The question of fixing definite standards of work for Assistant Commissioners and Income-tax Officers is under consideration.

(e) The duties of Inspector-Accountants are to examine accounts and note the results, for the use of the Income-tax Officer in making his assessments, to make house-to-house surveys, and to collect information, for example, by examining the records of Civil Courts and Registration offices and the registers at Railway Stations.



(f) As is the case with the clerical staff employed in the Department, these officers do not perform any functions reserved by the Act to the classes of officers mentioned in the Act, nor do they require any statutory authorisation to enable them to perform their functions. This part of the question does not therefore seem to arise.

*Statement showing the number of Income-tax Assesseees and the number of Income-tax Appeals filed during 1929-30 and 1930-31 in Bihar and Orissa.*

(a) Number of Income-tax assesseees in Bihar and Orissa.

On 31st March, 1930.

17,747.

On 31st March, 1931.

17,191.

(b) Number of Income-tax appeals filed in Bihar and Orissa.

1929-30.

2,236 [under section  
30 (1)].

14 [under section  
32 (1)].

1930-31.

1,940 [under section  
30 (1)].

16 [under section  
32 (1)].

#### SHORTAGE OF INCOME-TAX STAFF IN BIHAR AND ORISSA.

1318. \***Maulvi Badi-uz-Zaman**: (a) Are Government aware that there is a growing dissatisfaction among the tax-paying public of the Province of Bihar and Orissa that owing to the insufficiency of the staff coupled with the pressure of work the Income-tax officials cannot in the very nature of things do full justice to their cause?

(b) Have Government ever considered that when they have greatly increased the rate of income-tax they must keep sufficient staff, who may have time to go through the voluminous books of accounts thoroughly, and make sifting enquiry in each doubtful case?

(c) Since the passing of the Finance Act, 1931, have Government ever considered the advisability of increasing the numerical strength of the income-tax staff in Bihar and Orissa?

(d) Do Government now propose to increase the staff with a view to securing prompt disposal of assessment and refund work as also to secure fair and equitable assessment of income-tax after thorough scrutiny of account books, and inquiry?

**The Honourable Sir George Schuster**: (a) The Government have no information to this effect.

(b) It is and has always been the aim of the Government to provide a sufficient staff to perform adequately the work to be done. It does not appear to them that the strength of staff required is in any way affected by the rates of tax.

(c) and (d). The answer is in the negative.

#### LOAN TO THE BAHAWALPUR STATE.

1319. \***Dr. Ziauddin Ahmad**: (a) Will Government be pleased to give the purpose for which a loan was given to Bahawalpur State?

(b) Was it given for irrigation purposes?

**The Honourable Sir George Schuster:** (a) and (b). The loan was given to enable the State to meet the expenditure on its portion of the Sutlej Valley Irrigation project.

#### RECENT ALTERATIONS IN THE VICEREGAL TRAIN.

1320. **\*Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) with reference to the communiqué published by the Government of India regarding the recent alterations in the Viceroyal train, whether the changes were made simply in order to fit them with modern equipments or these were indispensably necessary;
- (b) the total amount of expenses incurred and whether these were made out of savings from retrenchment; and
- (c) whether it is intended to utilise the savings made out of retrenchment in other departments in a similar way in making those departments more modern and up-to-date?

**Mr. A. A. L. Parsons:** (a) The alterations were, as the communiqué explained, necessary if the train was to continue in use for any considerable further period.

(b) The cost was Rs. 64,972. It was obtained by reducing the current year's expenditure from the tour grant and another grant at the disposal of His Excellency the Viceroy.

(c) I am unable to accept the implication in the Honourable Member's question that the expenditure was incurred merely to make the train more modern and up-to-date.

#### PROCEDURE AFTER CONCLUSION OF THE ROUND TABLE CONFERENCE.

1321. **\*Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) whether it was intended that the Round Table Conference should terminate in London on the 10th November, and that a Parliamentary deputation would come out to India to discuss further constitutional problems;
- (b) if the answer to part (a) is in the affirmative, whether the decision was taken by His Majesty's Government at their own initiative or after consultation by them with the Government of India; and
- (c) who will compose the proposed deputation and how long it will stay in India?

**The Honourable Sir George Rainy:** (a), (b) and (c). I regret, Sir, that I am not in a position to make any statement on the points raised in this question.

#### ABUSE OF THE CONCESSION FOR REMOVAL OF SALT IN RAMNAD DISTRICT.

1322. **\*Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) whether the salt concession under Irwin-Gandhi pact has been withdrawn from two villages in Ramnad district in Madras on the ground of abuse of the concession by removal therefrom of large quantities of salt;

- (b) whether the Congress was informed by Government before they took action in the matter and whether the allegations brought to the notice of the Congress before the concession were withdrawn; and
- (c) whether Mr. C. Rajagopalachariar, the Congress leader in Madras, demanded an open inquiry into the matter so that an opportunity might be given to the Congress to disprove these allegations as agreed upon in the Irwin-Gandhi agreement?

**The Honourable Sir James Crerar:** (a) The salt concession has been withdrawn from two Taluks of the Ramnad District, Madras, owing to very extensive removals of salt which had taken place despite the warning that the concession would be withdrawn if abused. Withdrawals amounted approximately to 1,13,000 maunds, and represented almost two years' consumption for the whole of the population of the two Taluks. Carts were freely used and salt removed to distant villages outside the Taluks in question.

(b) No.

(c) A request for an enquiry has been received from Mr. Rajagopalachariar. It has not been possible to accede to this. The Honourable Member is mistaken in thinking that there is any provision in the Delhi Settlement for any such enquiry.

#### THE RAILWAY COURT OF ENQUIRY.

**1223. \*Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) how many sittings and at how many places the Railway Court of Enquiry have been held so far and how many more and at how many places further meetings are expected to be held;
- (b) when the enquiry is expected to be closed and what has been the total amount of expenses incurred so far in holding its sittings;
- (c) whether the Railwaymen's Union is still co-operating with the Court of Enquiry or it is keeping aloof; and
- (d) whether it is proposed to accept the results of the enquiry *in toto* without any alteration and to give effect to these or are these to be treated merely as suggestions which may or may not be accepted?

**The Honourable Sir Joseph Blore:** (a) The Court of Enquiry has so far held its sittings at Bombay and Madras and is now in Calcutta. Government have no other information.

(b) Government cannot say when the enquiry will definitely conclude. The Court have asked that provision should be made for an extension of its enquiries till the end of December. The expenditure incurred by the Court up to the 31st October, 1931, is reported to be about Rs. 22,000.

(c) So far as Government are aware, the Railwaymen's Unions are giving evidence before the Court.

(d) The Trade Disputes Act, 1929, does not make the findings of a Court of Enquiry binding on any party to the dispute.

# STRAINED AGRICULTURAL SITUATION AND PREPARATIONS FOR A NO-RENT CAMPAIGN.

1324. \*Mr. Bhuput Sing: Will Government be pleased to state:

- (a) whether they are aware of the preparations for a no-rent campaign to be inaugurated by the Congress on account of the inability of tenants to pay rent and the strained agrarian situation in different parts of the country;
- (b) what step or steps do Government propose to take to ease the situation, so that the Congress may not have to launch the campaign;
- (c) whether Government intend to invite the Congress leaders to a *small conference to discuss the situation and find a way out of the impasse*; and
- (d) whether Government realise the consequences on the present financial situation of the country, if the Congress resorts to such activities?

**The Honourable Sir James Crerar:** (a) and (b). The Government of India and Local Governments are fully alive to the difficulties of landlords and tenants caused by the fall in the value of agricultural products. The Government of India are satisfied that, in devising measures of relief, every reasonable effort has been made, and will be made by Local Governments to keep the balance even between the interests of Government and the general taxpayer, the interests of landlords and the interests of tenants.

(c) This is not the intention of the Government of India.

(d) Government are fully aware of the necessity of peace and quiet not only in the financial but also in the general interests of the country, and of the consequences which any revival of the civil disobedience movement would involve. In that event they would take all measures necessary to deal with the situation (Hear, hear), but I may express the hope which I am sure the Honourable Member will endorse, that it will not arise.

## AMOUNT OF THE GOLD STANDARD RESERVE.

1325. \*Mr. Bhuput Sing: Will Government be pleased to state:

- (a) what is the total amount of the gold standard reserve at present; and
- (b) whether the amount has been invested in India or in England and on what securities?

**The Honourable Sir George Schuster:** The information is contained in the monthly and quarterly statements published in the Gazette of India.

**SILVER BULLION AND GOVERNMENT RESERVES.**

1326. **\*Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) how many millions of silver bullion have been added recently to the standard reserve;
- (b) whether the amount of rupees was converted into actual sterling value before being added or the rupees have been kept in reserve by themselves; and
- (c) how has the account been adjusted, the actual value of a rupee being much less than its token value?

**The Honourable Sir George Schuster:** (a) No silver bullion is held in the Gold Standard Reserve.

(b) and (c). Do not arise.

**SECURITIES PURCHASED OUT OF THE CURRENCY RESERVE.**

1327. **\*Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) what amount of securities have been purchased by them recently out of the Currency Reserve;
- (b) what kind of securities these are and whether these were purchased in India or in England; and
- (c) where these securities have been kept, whether in India or in England?

**The Honourable Sir George Schuster:** (a) None.

(b) and (c) Do not arise.

**INSUFFICIENT NUMBER OF DAYS ALLOTTED FOR NON-OFFICIAL BUSINESS IN THE LEGISLATIVE ASSEMBLY.**

1328. **\*Pandit Ram Krishna Jha:** (a) Will Government be pleased to state the number of non-official days and the number of official days allotted at each session of the Legislative Assembly since 1921 up to the last Simla Session?

(b) Are Government aware that it takes about two years, if not more, for any non-official Members to get his Bills passed by the Legislature and that the delay is mainly due to the insufficient number of days allotted for non-official business?

**The Honourable Sir George Rainy:** (a) I lay on the table a statement giving the information for which the Honourable Member has asked.

(b) It is quite correct that, if more days were allotted for non-official business, the time required for passing a Bill would be reduced, but Government are not aware that approximately two years are required for a non-official Member to get a Bill passed through both Houses of the Legislature.

## LEGISLATIVE ASSEMBLY.

*Statement showing the number of official and non-official days allotted since 1921.*

Session.	*Official days.	Non-official days.
Delhi Session 1921 . . . . .	23	5
Simla Session 1921 . . . . .	10	5
Delhi Session 1922 . . . . .	26	18
Simla Session 1922 . . . . .	10	5
Delhi Session 1923 . . . . .	46	5
Simla Session 1923 . . . . .	8	9
Delhi Session 1924 . . . . .	26	12
May-June Session 1924 . . . . .	7	1
September Session 1924 . . . . .	9	5
Delhi Session 1925 . . . . .	31	10
Simla Session 1925 . . . . .	14	4
Delhi Session 1926 . . . . .	29	10
Simla Session 1926 . . . . .	10	2
Delhi Session 1927 . . . . .	40	5
Simla Session 1927 . . . . .	15	5
Delhi Session 1928 . . . . .	29	7
Simla Session 1928 . . . . .	11	6
Delhi Session 1929 . . . . .	39	6
Simla Session 1929 . . . . .	10	7
Delhi Session 1930 . . . . .	38	8
Simla Session 1930 . . . . .	7	3
Delhi Session 1931 . . . . .	46	5
Simla Session 1931 . . . . .	14	6

\* N.B.—Official days for each Delhi Session include days allotted for the Budget.

**Sir Hari Singh Gour:** Is the Honourable Member aware that in many cases three years and even four years have passed—the Age of Consent Bill being an instance in point?

**The Honourable Sir George Rainy:** I am grateful to the Honourable Member for the information he has communicated to me. (Laughter.)

**RETRENCHMENTS ON RAILWAYS.**

**1329. \*Mr. S. G. Jog:** Will Government be pleased to state:

- (a) whether it is a fact that the Railway Board had given an assurance to the Railwaymen's Federation not to discharge any railway employee up to 31st October, 1931;
- (b) whether it is a fact that after this assurance, the Government of India appointed a Court of Enquiry to enquire into the retrenchment effected;
- (c) whether the work of the enquiry is still going on;
- (d) whether it is a fact that during the pendency of the enquiry the Railway Board have decided to discharge 7,000 more men, and whether it is a fact that the Court of Enquiry have written to the Government or the Railway Board in the matter;
- (e) if so, what action Government intend to take in the matter; and
- (f) will Government place on the table the correspondence that passed between them and the Railway Court of Enquiry in this matter?

**Mr. A. A. L. Parsons:** (a) The terms of the assurance to which the Honourable Member refers were published in a communiqué dated the 7th July, 1931. A copy of this communiqué has been placed in the Library.

(b) A Court of Enquiry was appointed by the Government of India after the 7th July. The terms of reference to the Court of Enquiry were published in Notification No. L-1714, dated the 13th August, 1931, of the Department of Industries and Labour in the Gazette of India dated 15th August, 1931.

(c) Yes.

(d), (e) and (f). The position in regard to further discharges is stated in the proceedings of a special meeting between the Railway Board and the All-India Railwaymen's Federation held in October, 1931. A copy of these proceedings has been placed in the Library. Certain confidential correspondence has passed between the Court of Enquiry and the Government of India on this matter. Government do not propose to lay this correspondence on the table.

**REDUCTION OF STAFF IN THE CUSTOMS AND SALT DEPARTMENTS IN BOMBAY.**

**1330. \*Mr. S. G. Jog:** Will Government be pleased to state:

- (a) whether it is a fact that they have issued orders for a 10 per cent. reduction in staff in the Customs and the Salt Departments in Bombay;
- (b) whether the percentage laid down above is arrived at after consideration of the probable results of such cuts in staff;
- (c) whether the volume of work in these departments has diminished to require the above percentage of cut in staff;
- (d) whether service associations of the employees concerned have been consulted in the matter;
- (e) whether the Retrenchment Sub-Committee which deals with retrenchment as far as these two departments are concerned, was consulted in the matter;

- (f) what is the principle that is followed in discharge;
- (g) whether it is a fact that notices of discharge have been issued to employees in these departments who were marked for such discharge;
- (h) whether it is a fact that out of about 6 Superintendents in the Customs Office in Bombay, who are superannuated, notices of discharge have been given to two only while they have been given to some five or six clerks in the Lower Division in that office, though they have not yet completed their service and are much below 55 years of age; and
- (i) whether Government propose to make enquiries in the matter and take necessary steps?

**The Honourable Sir George Schuster:** (a) Provisional orders have been issued.

(b) This is the general rate of reduction which the Government have set before themselves as a standard. The Heads of the Departments concerned are not debarred from stating arguments against the application of this standard.

(c) The reduction is not due to a decrease in work but is a measure of economy.

(d) No.

(e) The Sub-Committee of the Retrenchment Advisory Committee concerned with these departments has not yet submitted its report. On receipt of this report the whole position will be reviewed.

(f) I would refer the Honourable Member to my reply to Lala Hari Raj Swarup's question No. 1289 on the 13th November, 1931.

(g) Certain officers and members of the establishment of the Bombay Customs Department have been served with provisional notices of discharge, but the Government of India are not aware whether any such notices have been issued to officers of the Bombay Salt Department by the Collector of Salt Revenue.

(h) Yes.

(i) The Government do not consider that any enquiries are necessary, as they already possess full information on the subject.

#### REDUCTION OF STAFF IN THE BOMBAY CURRENCY OFFICE.

1331. **\*Mr. S. G. Jog:** Will Government be pleased to state:

- (a) whether it is a fact that a certain percentage of reduction in staff has been ordered in the Bombay Currency Office;
- (b) whether the percentage ordered is due to the fall in the volume of work;
- (c) whether there would be any principle observed in ordering discharges of men at present in service;
- (d) whether any such principle is laid down and what is it; and
- (e) whether service associations of the employees concerned would be consulted in the matter; if not, why not?



**The Honourable Sir George Schuster:** (a) It is proposed to abolish one post of Assistant Superintendent and 7 posts of clerks on the General side and 8 on the Treasurer's side. These include 5 posts which have been unfilled for some time.

(b) The reduction is based partly on a fall in the volume of work, both actual and anticipated, and partly on allowance for an increase in the standard of work.

(c) to (e). I would refer the Honourable Member to the reply I gave on the 13th instant to Lala Hari Raj Swarup's question No. 1289. It was not considered necessary to consult service associations.

#### GRADUATED CUT IN SALARIES OF GOVERNMENT EMPLOYEES.

1332. **\*Mr. S. G. Jog:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the clamour which is often reported in the Press, of subordinate Government employees for a graduated percentage of cut in the salaries with an exemption for a living wage;
- (b) whether an introduction of a graduated cut in salaries is suggested by the various Retrenchment Committees and also supported by the leading economists in India and many other leading figures in the country;
- (c) whether a system of graduated cut has been adopted in England and elsewhere; and
- (d) whether Government propose to give full consideration to the advisability of introducing a graduated scale of cut in salaries in India also?

**The Honourable Sir George Schuster:** (a) Yes.

(b) Hitherto two of the Retrenchment Sub-Committees have reported specifically on this point and they have suggested a graduated cut in pay. I am not aware whether leading economists and public men in India, other than certain Honourable Members of this House (Hear, hear) generally support the graduated system.

(c) The attention of the Honourable Member is invited to my reply of the 7th November, to starred question No. 1229, which gives the information with regard to Great Britain. According to my information, action taken in other countries has not been uniform.

(d) The attention of the Honourable Member is invited to my speech in moving for consideration of the Finance Bill.

**Mr. Lalchand Navalrai:** Has the Honourable Member decided that that question cannot have reconsideration?

**The Honourable Sir George Schuster:** I think the Honourable Member is entitled to draw that inference from the form of my answer.

**Mr. Lalchand Navalrai:** I should be thankful for a precise reply.

**INTERPRETATION OF FUNDAMENTAL LEAVE RULES.**

1888. \***Mr. K. P. Thampan** (on behalf of Rao Bahadur M. C. Rajah): Will Government be pleased to state with reference to the answer to question No. 273, at the meeting of the Assembly on the 11th February, 1930:

- (a) whether the authority to rescind or amend any of the Fundamental Rules is the Government of India or the Secretary of State;
- (b) whether, with reference to rule 8 of the Fundamental Rules, the Government of Madras submitted to the Government of India in 1929 or 1930 a case that arose in the Law Department of the said Government for interpretation of Fundamental Rules 67 and 85;
- (c) whether Fundamental Rule 67 has been so interpreted as to refuse leave even in cases where the application for leave which is admissible is strongly supported by a medical certificate on account of heart disease; and
- (d) whether the intention is that the discretion reserved to the head of a department under Fundamental Rule 67 is to be restricted to the refusal of the kind of leave applied for, or whether Fundamental Rule 67 can be interpreted to mean that, in addition to refusing the leave admissible, the applicant may be granted leave on loss of pay contrary to Fundamental Rule 85?

**The Honourable Sir George Schuster:** (a) Since the issue of the Civil Services (Classification, Control and Appeal) Rules which came into effect from the 27th May, 1930, the Fundamental Rules may be rescinded or amended

(1) by the Secretary of State in Council in respect of the Services under his control and

(2) subject to the conditions laid down in the Classification Rules, by the Governor General in Council in respect of the Services under his control and by Local Governments and Administrations in respect of the Services under their control.

(b), (c) and (d). It is regretted that Government have not been able to trace the case referred to. If the Honourable Member will kindly furnish further particulars, Government will endeavour to trace the case and reply to his queries.

**DAILY AND TRAVELLING ALLOWANCES DRAWN BY MEMBERS OF THE  
RETRENCHMENT COMMITTEES.**

1334. \***Mr. Badri Lal Rastogi:** Will Government be pleased to lay on the table a statement showing the names of the members of the various Retrenchment Committees and Sub-Committees that drew their respective daily and travelling allowances up to date?

**The Honourable Sir George Schuster:** The information is being collected and a statement will be laid on the table as soon as possible.

**NON-STOPPAGE OF THE PUNJAB MAIL AT CERTAIN STATIONS IN THE PATNA DISTRICT.**

1335. \***Mr. Badri Lal Rastogi:** (a) Is it a fact that the 2 Down Punjab Mail train used to stop at Patna City, Bakhtiarpore Junction and Barh Stations over the East Indian Railway some time before?

(b) Are Government aware that these are the three important stations in the Patna District?

(c) Are Government aware of the fact that as a result of the discontinuance of stoppage at these stations people coming from a long distance have to suffer a good deal of inconvenience by breaking their journey at Patna Junction Station?

(d) Do Government propose to remove this grievance of the public by directing the railway authorities to continue the stoppage of the 2 Down train at these three stations as before?

**Mr. A. A. L. Parsons:** (a) I have not been able to verify the statement, but am quite prepared to accept it from the Honourable Member as correct.

(b) Government are aware of the importance of the stations referred to.

(c) No.

(d) It is not possible for Government to take any part in the preparation of time tables. These are obviously matters which might suitably be discussed at meetings of the Railways Local Advisory Committee.

**Dr. Ziauddin Ahmad:** In reply to part (a), the Honourable Member said that the Government had no information about the correctness of the statement made in the question. May I ask the Honourable Member if he has not got in the office the time-table published by the Railway Board, and may I suggest he might look into that?

**Mr. A. A. L. Parsons:** If the Honourable Member will read the question to which he has now put a supplementary question, he will see that I was asked whether No. 2 Down Punjab Mail stopped at particular stations at some time in the past. It is quite impossible to verify a statement as vaguely phrased as that.

**UNSTARRED QUESTIONS AND ANSWERS.**

**CINEMATOGRAPH FILM COMPANIES IN INDIA.**

159. **Mr. Badri Lal Rastogi:** Will Government please state how many limited companies in India are going to produce cinematograph films?

**The Honourable Sir Joseph Blore:** Government have no information.

**REVERSION OF MR. N. A. DALVI FROM THE POST OF ACCOUNTANT, DHARWAR HEAD POST OFFICE.**

160. **Rao Bahadur B. L. Patil:** (a) Referring to the reply of Sir Hubert Sams to clauses (b) and (d) of unstarred question No. 27 (regarding reversion of Mr. N. A. Dalvi from the post of Accountant, Dharwar Head Post Office) answered on the 7th September, 1931, will Government be

further pleased to state whether they agree that the allowance paid to the accountants on the ordinary time-scale of pay, counts for leave and pension?

(b) If so, do Government agree that in view of this special concession attaching to the drawing of allowances the Director General's circular No. 41, of 6th November, 1930, directing appointments to these posts according to the date of passing the examinations was issued?

(c) If so, will Government be pleased to state why Mr. N. A. Dalvi, who was appointed provisionally permanent, was reverted in favour of his seniors, who had refused to accept the post? Did the Director General's circular apply retrospectively?

**Sir Hubert Sams:** (a) Yes.

(b) No.

(c) As regards the first part, Government have nothing to add to the reply given to the Honourable Member to which he has referred in part (a) of this question. The reply to the second part is in the negative.

#### EXPENDITURE OF THE RAILWAY STAFF COLLEGE, DEHRA DUN.

161. **Mr. Gaya Prasad Singh:** (a) Will Government be pleased to state the annual expenditure of the Railway Staff College, Dehra Dun and the average expenditure per student?

(b) How was the appointment of the present incumbent of the college sergeant's post made? Will Government please state the pay drawn by him formerly and the circumstances under which he was given this lift? Was no Indian available for this post? Was any advertisement issued for the post? If not, why not?

(c) Will Government please give the names of the retired hands employed by the college during 1931, and the justification for their employment?

(d) Are there two buses and one car as college property? What use is each put to? What is the average yearly expenditure to run these? Have Government considered whether the transport cannot be arranged cheaper by periodical contract?

(e) Is it a fact that the lady-typists employed in the college are allowed free rides in the bus to and from their homes; if so, why? Are Government prepared to allot the bungalows which are lying vacant in the college area to them, thus increasing Government revenue and decreasing the cost of transport?

(f) Is it a fact that bearers of the staff are given free trips in the morning in the buses, whereas other staff is charged? If so, what is the justification for this differential treatment?

(g) Is it a fact that about Rs. 10,000 have been spent on the golf course? What is the expense of its up-keep per year on the average?

(h) Will Government please state whether Government gazetted holidays are not observed in the college? If not, why not?

**Mr. A. A. L. Parsons:** (a) The total expenditure, including interest on capital and depreciation during the year 1930-31, was Rs. 376,778, and the average cost per student per day was Rs. 27.

(b) to (h). I have called for information from the Principal of the College and will communicate with the Honourable Member on its receipt.

## SPEEDY INSTRUCTION OF POLITICAL REFORMS.

162. **Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) whether they are aware of any feeling on the part of the people in this country for speedy political reforms; and
- (b) whether they contemplate introducing full provincial autonomy in the different provinces of India as recommended by the Simon Commission last year immediately before granting responsibility at the centre which subject is still a matter of discussion at London among the Round Table Conference delegates?

**The Honourable Sir George Rainy:** (a) and (b). I have no doubt that the Honourable Member is correct as regards part (a) of his question. As regards part (b) I have no information at present to give.

## ANOMALY AT HOWRAH RAILWAY STATION.

163. **Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the article published in the *Advance* of 29th October, 1931, under the heading 'Howrah Station Puzzle'?
- (b) if so, whether the allegation is correct; and
- (c) what step do Government propose to take to remove the anomaly?

**Mr. A. A. L. Parsons:** (a) Yes.

(b) and (c). Government have made no enquiries in the matter, and as it is one for the East Indian Railway Administration to deal with, they do not propose taking any action.

## REPRESENTATIVES OF LANDHOLDERS AT THE ROUND TABLE CONFERENCE.

164. **Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) the names of the delegates to the Round Table Conference who represent or are supposed to represent the interests of the landholders at the Round Table Conference;
- (b) what kind of activities they have made in connection with their mission and how far they have made progress and what success they have met with; and
- (c) whether Government propose to publish a booklet on the subject giving full information on the subject?

**The Honourable Sir George Rainy:** (a) The Honourable Member will find an answer to his question in the replies which I gave to his unstarred question No. 18, on the 26th January, 1931, and to Lala Hari Raj Swarup's starred question No. 480 on the 17th September, 1931.

(b) Government have no information.

(c) No, Sir.

THE INDIAN FINANCE (SUPPLEMENTARY AND EXTENDING)  
BILL—*contd.*

**Mr. President:** The House will resume further consideration of the Finance Bill.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muham-madan Rural): Mr. President, the poor man's salt is again on the taxation anvil! Whenever there is any necessity for fresh taxation, Government always run for the poor man's salt or the rich man's income, and generally for both of them together. Before I go into the merits of this case I should be very much obliged if the Honourable the Finance Member or anybody else from the Government side would enlighten us as to their attitude in view of their concession on Mr. Morgan's amendment for the reduction of the customs duty. I understand that though the Government did not accept the amendment, they agreed to give effect to it by executive order for the future, and I think that, from the point of view of equity and justice, the same thing will be done as regards the excise duty as well. If Government have the intention of putting the position of both importers and indigenous producers on the same level, I hope they will make it clear, because in that case, my argument on this amendment will be of a different character. I hope the Government will accept the position when they have agreed so far as the import duty on salt is concerned. I think I have not made my point clear. I want to know whether, in view of the fact that Government accepted Mr. Morgan's amendment—they did not accept it literally on the floor of the House but they agreed that, by executive order, for the future, no customs import duty will be levied on imported salt. So far as we can understand, Government wanted both producers and manufacturers in India and foreign importers to be put on the same level so that the importers could not undersell the indigenous manufacturers. If my contention is correct, then, when they are not levying in future any customs duty, I want to know whether they will forego this excise duty as well. I mean the surcharge on the indigenous salt. Is that position correct?

**The Honourable Sir George Schuster** (Finance Member): I am afraid, in spite of the second repetition, I am not really clear as to what is in my Honourable friend's mind and I am left in doubt as to whether he is exceedingly simple minded or exceedingly astute in having put this question.

**Mr. S. C. Mitra:** It is the first.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muham-madan Rural): He is both, I believe.

**The Honourable Sir George Schuster:** As regards the parallel which he seeks to draw between some action which he wishes the Government now to take and the action which they said they were willing to take with reference to the special duty on foreign salt, I am afraid I cannot see what parallel there can possibly be. As regards the special duty on foreign imported salt, that, as I explained to the House on Saturday, was imposed for a definite purpose. The duty imposed was—as my Honourable friend who was a member of the special Committee of the Legislative Assembly

on that subject will recollect— $4\frac{1}{2}$  annas a maund. The idea was that producers of fine white crushed salt in India and in Aden, which was included as India for that purpose, should be assured of a selling price of Rs. 66 per 100 maunds in Calcutta. The current competitive price was so low at the time that it was felt necessary to impose a duty of that amount in order to assure them of a price of Rs. 66 per 100 maunds. The whole object of Government's policy was to make that figure of Rs. 66 per 100 maunds for that quality of salt the stable price on which producers and consumers could rely. For that purpose an import tax of about  $4\frac{1}{2}$  annas a maund was required. Then we came to the emergency Finance Bill introduced in Simla in September, and that included a surcharge of 25 per cent. on all customs duties. If that had been left to apply to the special duty on foreign imported salt, the protection given would have been much larger than was actually required for producing this stable price level of Rs. 66 per 100 maunds. If my Honourable friend will make the calculation, he will find that it would have enabled the price to be increased by something like  $11\frac{1}{2}$  annas per hundred maunds. We do not want to produce that result. That would be quite contrary to the policy which we were trying to carry out in accordance with the recommendations of the Tariff Board, and therefore we have felt that it was the right thing to do to remit the surcharge in the case of that particular duty. This, as I have explained, is a very special position, and I cannot see how there can be any parallel to that position in connection with any other question which may arise in the case of salt. I have understood my Honourable friend's position sufficiently to make that point clear, but I am not able to understand precisely what action he suggests the Government might take beyond that. I can only tell him that the action which he suggests could not possibly be justified by quoting as a parallel what we have been prepared to do as regards that special duty on foreign imported salt.

**Mr. S. C. Mitra:** I am thankful to the Honourable the Finance Member for making the point clear. I think the House will now easily understand that, in the case of imported salt and the salt that is produced in India, Government want to stabilise the price, so that the prices may be almost similar and one party may not have any advantage over the other. Now, Government by their taxation proposals in clause 5, are suggesting a surcharge on the excise duties on salt. Necessarily this will be levied, and I would like to know from the Honourable the Finance Member where the countervailing duty on the imported salt is. The Salt Committee recommended that there should be an import duty of such an extent that both the imported and indigenous salt may sell in India at a price close to each other. Government have brought this additional scheme of taxation, this surcharge, both on the import duty as well as the excise duty. There was some consistency when they wanted to apply this surcharge to both sides. Now, on Mr. Morgan's suggestion, Government have agreed that the surcharge on imported salt will not be levied in the future. To countervail that advantage which is given to the imported salt, where they have yielded, what are they yielding in the case of the excise duty on salt? The excise duty will certainly raise the price of the manufactured salt. The imported salt, by Government's acceptance of that amendment, is going to sell at a lower price. Are Government willing to give any concession in the case of the excise duty on salt as well? That is my point.

**The Honourable Sir George Schuster:** I think it is clear now that my Honourable friend does not understand the position. Mr. Morgan's amendment to which he is referring applied only to the special duty—customs duty—on foreign imported salt which was imposed by this House quite outside the ordinary revenue duty—customs and excise—on salt which is a normal feature of our financial measures. That special customs duty applies only to the limited quantity of foreign imported salt. According to our ordinary machinery, customs duty on imported salt is levied on all salt which is imported into any part by sea, whether it comes from Karachi, or Aden or any Indian port. So long as it is imported by sea, it is liable to customs duty and not to excise duty. I mention that point, because it makes clear what a big distinction there is between that and the special customs duty on foreign salt which was imposed by the special Act of the Legislature. That is only applicable to real foreign salt, excluding salt produced in Aden or salt produced in Karachi or at any other place in India and sent round by sea to an Indian port. It is a special duty. It has nothing whatever to do with our revenue duty. Therefore the exemption of that special extra duty from the surcharge of 25 per cent. has nothing whatever to do with the general argument on the levy of duty on salt for revenue purposes. I should, however, like to take this opportunity to explain to the House that if they pass this amendment to clause 5, which affects only the excise duty on salt, they will for the first time be creating a differentiation between the customs duty on salt and the excise duty on salt. The point is a slightly complicated one, but Honourable Members who know the situation will realise that under the Salt Act the customs duty is fixed according to the excise duty for the time being. We have already imposed a surcharge on the customs duty by passing clause 4 of this Bill. But the rate of the duty would clearly depend on the rate which was fixed under clause 5 for the excise duty. But in the present case, by passing clause 4 of this Bill, the Assembly has agreed to the imposition of a surcharge of 25 per cent. on the import customs duty on salt as distinct from the excise duty. If Honourable Members will examine clause 4 they will find that there is a proviso which says:

"Provided that salt chargeable with duty under Item No. 35 of the said Part II shall not be liable to two such additions of duty."

But it is liable to one such addition; and if the House were now to pass this amendment, the effect of it would be that the 25 per cent. surcharge would not be levied on the excise duty, but it would be levied on the customs duty and the first proviso to clause 4 would not avoid that result, because that proviso merely protects the customs duty against a double increase of the surcharge. I think the House should appreciate that. The position is rather a technical one; it is difficult; but according to our view the effect of their passing the present amendment would be to subject the customs duty on salt to a surcharge of 25 per cent. and to relieve the excise duty on salt from that surcharge, which would produce a very anomalous result, because I have already explained to the House that customs duty is actually levied on all salt imported by sea to any part, whether it is provided in India or anywhere outside.

**Mr. R. K. Shanmukham Chetty** (Salem and Coimbatore cum North Arcot: Non-Muhammadan Rural): Do I take it, Sir, that by passing clause 4, we have allowed the surcharge of 25 per cent. on the customs import duty on salt?

**The Honourable Sir George Schuster:** That is our interpretation.



**Mr. R. K. Shanmukham Chetty:** I am afraid that if that is so it must cause a great deal of confusion to the House. I was under the impression that, so far as clause 4 was concerned, it did not affect either the import duty or the excise duty on salt. My interpretation of this Bill was that both the import duty and the excise duty on salt were covered by the Salt Act, which is specifically mentioned in clause 5. Therefore the object of this side of the House, in moving this amendment, is to oppose the proposed increase. But if the interpretation of my Honourable friend is that, by passing clause 4, we have already passed the surcharge on the import duty on salt, then we are placed in an absolutely anomalous position and we cannot proceed with this amendment now. That is the position.

**Mr. S. C. Mitra:** Sir, I shall pursue my original argument about the main Bill. My impression was that, though the Finance Member did not literally accept the Honourable Mr. Morgan's amendment, he said in effect that that would put them in a difficult position as regards paying back the customs duty that has been collected during these two months. What he therefore wanted was that by executive order for all future imports this additional surplus tax should not be levied. I thought that as consequential to a virtual acceptance of that amendment there must be something from the Government side now to countervail that advantage to imported salt. However, my objection to this duty on salt is based on more fundamental grounds. I fully agree that if the purpose of the Government is to get as much money as possible, and following the Honourable Mr. Moore's dictum that if it is the shortest and easiest, then it is the best, certainly the Honourable the Finance Member is right in taking up this salt duty. It is admitted that it is an inelastic commodity necessary as an article of food stuff. It is quite true that, even if the price goes down, there is no chance of bigger consumption, while if the price goes up, there is very little chance of the commodity being less consumed. So it satisfied the definition of an inelastic article; and being one of the prime necessities of life, there is no escape. But my contention is that the collection of money is not the only criterion by which the Government should act. Here in India taxes are realised mostly by indirect taxation; so the poor people really have very little chance of escape. I fully agree with the general principle of political science that there must be some taxation that should reach even the poorest, because the benefits of law and order—whatever they may be—are derived by all. Pax Britannica is not confined to the richer class alone, if it means anything now to Indians. I fully agree that in times of necessity the Government should go to such taxation where there is very little escape, and the demand being a very small one it may not be so much detrimental. But here in India we have reached a very critical position. The taxation limit has been reached long long ago; and if we go through the history of the salt tax alone, we will see that within the last 20 or 25 years, as my friend Mr. Navalrai explained in detail, there have been several variations in the taxation on salt. Now I appeal to Government, they being the trustees of these dumb and half-starved millions, that they should not forget them, when by all accepted calculations the income of Indians has gone down—the estimated income for a day is less than 3 annas for each man. I have explained in my last speech that though by calculation it is one pie in a lb. really the poor cultivator in the village will have to pay at least one pie for his share of salt on

[Mr. S. C. Mitra.]

each purchase of salt. Salt is necessary not only for the health of human beings, but it is extensively used for consumption by cattle. If Government are not determined to crush the cultivator, not merely by injuring his health and compelling him to consume less salt, but also by injuring his cattle because there is no chance of cattle being supplied with salt when human beings themselves cannot get it, I hope they will reconsider this matter. I think it is only in France that salt is taxed in the whole world. Everybody knows that it is one of the easiest ways of approaching even the meanest individual to tax salt. But the reason why it is not followed anywhere is that it is accepted that articles of food should not be taxed as far as practicable, and here in India we have an extensive salt range in the Punjab; and if Government, without making the cost of manufacture greater, merely help people to manufacture their own salt, in these days of depression when trains are running empty by lowering the railway freight of salt. I think it will offer the best chance for people to produce their own salt. I say therefore that every effort to make salt more costly to the people should be opposed by this House. If it is argued as to where this money can be found, of one crore odd, if this taxation of salt is not accepted, I can assure the House that in addition to the two crores accepted by the Government as a result of the recommendations of the General Purposes Sub-Committee, an additional two crores could be had if they merely accept 90 per cent. of the further suggestions of that Committee—they can easily find that money to counterbalance the sum if they forego this additional one crore from the poor man's salt. I appeal even to the Members of the European Group and the nominated Members, who themselves claim in this House that they voice the true feelings of the rural population, that they should support this motion as it hurts the interests of the poorest people in India. Sir, I support Mr. Lalchand Navalrai's motion.

**Major Nawab Ahmad Nawaz Khan** (Nominated Non-Official): Sir, on the very same arguments which Mr. Lalchand Navalrai adduced in support of his amendment I am going to oppose the same amendment. First of all he requested us Indians to be true to the Indian salt. I quite agree. It is said that salt is the humour of life, and so if by way of humour I say a few things to him, I hope he will agree with me. A man who is true to his friend will always wish to increase his value and his position in every respect. Therefore I wish to increase the value of my friend, salt, and I oppose the amendment to decrease the value of my friend for which he wishes to be true. Leaving that thing aside, I come now to the real objection. It has been said that the increase of duty on salt will be felt very much by the agriculturists and the poorer classes in India. Mathematically and politically it may be quite true; but practically speaking, I have never heard the villagers or even the people in the districts or cities crying whenever the salt duty is increased. That is my own experience; I have not seen any agitation among the poorer classes. It is only among the big traders and the lawyers that there is agitation to suit their political purposes. The increase affects the profits of the big traders but not of the poor consumer. I cannot claim to be as good a mathematician as my friends over there, but I would ask them a practical question. If a man goes into the bazaar to purchase salt of one pice when the salt duty is at one

rupee a maund, and to purchase salt of one pice when the salt duty is one rupee two annas a maund, can anybody say what he will have to pay more to get the same quantity and how much the shopkeeper will charge him more? Practically none at all. I venture to say that no Member will tell that and if any Honourable Member can tell me this difference tomorrow or the day after, I will be willing to go with him to the bazaar and see what real effect this increased duty has upon the poor people, or upon anybody else. I admit that as far as the political aspect is concerned, if a political section of people want to create an agitation, this is a very good argument. But I will take up the political side too. If we are going now to discuss each and every article on grounds of sentiment, it means that the proposed tax on every article must first of all be told to the political parties and they should be asked if they agree or do not agree with the exact amount of tax proposed to be put on it. I am sorry that one of my Sikh friends here, whose name I do not know, very plainly and clearly said that he was opposing this tax simply on account of the possibility of the revival of the civil disobedience movement or salt agitation or something like that. Taking that argument into consideration, I venture to say that there is a talk in the air—cables are coming from London—of re-starting civil disobedience. Whether we tax salt or we do not tax salt, the danger that we are foreseeing or are afraid of, is coming; and if that danger is coming, perhaps the Indian Government would require more money to maintain law and order in the country. I would therefore request that there should be no cut in the pay of the police because the police will have soon more and very difficult duties and more work to do. Or we should, then, have a special allowance, as we have in the case of Plague

**12 Noon:** duty, for the Army and the police for checking the civil disobedience movement, and then an extra duty will have to be imposed to provide for the necessary funds to pay these people. Therefore, Sir, the danger that some of my Honourable friends foresee about the approach of the civil disobedience movement should compel us not to lower the taxes but to increase the taxes in order to meet the unforeseen expenditure that will fall on us. Therefore, whether from a political point of view or from a fiscal point of view, there appears to be no good reason to reduce the taxes; rather there is very good reason for increasing the duty on salt.

**Mr. R. Das:** (Orissa Division: Non-Muhammadian): Sir, I feel grateful for the supplementary reply which the Honourable the Finance Member gave to my friend Mr. S. C. Mitra in the course of his speech. Sir, I was not present here while my friend Mr. Morgan debated his point, but from what I read during my journey yesterday to this place, my first impression was the same as that of my friend Mr. Mitra, and so I feel grateful to the Honourable the Finance Member, because he has cleared the point and thereby much useless talk could be avoided. But I feel grateful to my friend the Finance Member for another thing, because he had established and enunciated a principle that if the Tariff Board recommended a certain protective duty and fixed Rs. 60 as the selling price of 100 maunds of salt, he does not think that there need be any surtax on the protective duty of Rs. 0-4-6 that the 1931 Salt Act enacted. That is a very good principle. I want to ask the Finance Member one thing: has he applied it to other protective measures? Is he charging a surtax on steel, on cotton piece-goods, on paper, chemical, etc., on their original revenue duties only?

**The Honourable Sir George Schuster:** In order that the House may not have its time wasted owing to the unfortunate fact that my friend was not present in the course of the debate on Saturday, I might perhaps interrupt his further flow of questions on this particular subject in which I know he is interested because of an amendment which he himself has put down on the paper, by saying that I explained to the House very fully why there was a distinction made between the duty in the case of imported salt and the ordinary protective duties. The distinction was that we were aiming not at normal protection, but at stabilising prices at about Rs. 66 a hundred maunds, and in order to put ourselves in the position of achieving that object we were not only imposing an import duty but we have taken ourselves compulsory power to purchase salt at a price of Rs. 66 per 100 maunds in order to keep the price down to that figure, if it became necessary to do so, because private business was taking advantage of the position to profiteer. That I explained was the reason why we differentiated action in the case of the salt duty from action in the case of normal protective duties. I hope my friend will accept that explanation and read my speech on the subject, if he has not understood what I said now, and spare the House from further questions on this particular point that protective duties ought not to be increased by a surcharge.

**Mr. B. Das:** I feel again grateful to the Honourable the Finance Member for his clear explanation on the point, but I differ from him, and as I go on to elucidate the point, the House, I hope, will be able to follow me. My friend first referred to the fact that I was absent last Saturday. If I was absent I was absent on a duty which my constituency demanded from me. The Government thought it fit to appoint the Orissa Boundary Commission at the very moment when this House is sitting, and my duty to my constituency in this matter was much greater than my duty to the whole country or to India. While I see the reasoning of the Finance Member regarding salt, I feel he did not fully appreciate the intentions of his colleague the Commerce Member regarding the protective tariff. Whenever the Honourable the Commerce Member brought forward before the House protective measures he always tried to establish that he wanted so much duty on foreign steel or on foreign cloth or on foreign chemicals, as he wanted a fixed price at which the country made articles could be sold. The Commerce Member always wanted that the price of articles protected should get a definite margin of protection and not over-protection. While my friend the Finance Member wants now to apply a particular dictum to the salt industry, he does not want to apply the same to other industries, and I would not grumble if I knew that those protective tariffs would go to benefit the industry; but I know that Government get crores and crores of rupees by this protective system as the Finance Member himself knows. From the day we passed the Steel Protection Bill and subsequently other protective measures, my friend the Finance Member must have derived by this time about 35 crores of extra taxation. Therefore, I would ask him, while I promise him to read his speech very carefully when I get it, to apply the same principle which he enunciated in the case of salt to the other protective measures so that the consumers may not be unduly affected and may not pay more.

Sir, I do strongly oppose any surtax on the salt excise duty. My friend the Honourable the Finance Member may ask where will the money come from? In my first speech I suggested three different

methods of taxation, and I know it now that, owing to the advice of the Honourable the Finance Member to His Excellency the Viceroy, His Excellency did not give me permission to move those amendments which stand in my name, whereby alternate taxation could be levied. I have brought in another amendment later on whereby my friend can get some money; the Honourable the Finance Member has not put any surtax on exported articles from India. I think I am correct in saying that no such tax is to be put on articles exported from India. Why not put a surtax to meet the deficit? If we do not put such a tax on the excise duty I think the Finance Member's loss should be somewhere about 70 lakhs. He could easily get that amount if he were to put on a surtax on articles exported from India, and I do not see any reason why no surtax is put on the articles that are exported from this country, because the money will come from outsiders and not from the Indian consumers.

**Mr. G. Morgan** (Bengal: European): Question.

**Mr. B. Das:** My friend, Mr. Morgan, questions me. I think everybody knows that Mr. Morgan is a big business man, and my friend Mr. Mody is also a big business man; but these businessmen never pay from their pockets. (Laughter.) Government enhance duties, but the business men always try to get them out of the consumer, whether he is in India or abroad, and if they find that the duty does not bring them profit, then they produce articles of inferior grade so that in the end it is the consumer who suffers, and not the manufacturer or the big business men and magnates like my friend Mr. Morgan. I hope my friend Mr. Morgan stands fully answered. I strongly maintain that if my friend the Finance Member had accepted those three proposals of taxation which I had suggested, all the money could have been found, from foreign consumers, except the excise duty on tea which I and my friends in the country would have paid. Again I say to my Honourable friend that if export duties were put on these articles, all this money would have come from foreign consumers, only it may just reduce the margin of profit of big exporters like my Honourable friend Mr. Morgan, and that to a slight extent.

The other day the Honourable the Finance Member explained that salt is the best medium of taxation for the Chancellor of Exchequer of a Government, and he discussed the oft criticised subject "sentiment and politics". I am not here to discuss "sentiment and politics", but if sentiment and politics are combined in this respect we have to face it. My Honourable friend knows how unpopular that tax is. At present a gentleman of his Department is moving on the East coast to see if the East coast and the Orissa coast can produce sufficient salt to oust the importation of foreign salt into India, especially to Calcutta port, and when in February and March of last year he entered into those delicate negotiations with Mahatma Gandhi so that the poor man could get a little free salt, he ought to have applied the principle of his negotiations with Mahatmajī to the present taxation proposal on salt. If the poor man living on the sea coast wants free salt, you must apply the same logic to all poor men throughout the country and see that they get cheap salt. Of course, under the constitution, this House, I mean the non-officials, cannot suggest any taxation, but if the Honourable the Finance Member is so willing and will talk it over across the table, we will suggest

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to him two or three different avenues from which he will get Rs. 60 or Rs. 80 lakhs. I hope he will realise the Opposition feeling in this matter and will not oppose my Honourable friend Mr. Lalchand Navalrai's amendment.

**Rai Bahadur Sukhraj Rai** (Bhagalpur, Purnea and the Santhal Parganas: Non-Muhammadan): Sir, I am thankful to you for my being able to catch your eye at last. It is my proud privilege to lend support to the amendment for exemption of salt from additional duties. In doing so, I do not for a moment forget that there is a huge deficit for the Government and they have to find revenue somewhere to meet the situation. The present sources are unable to cope with it, and other ways and means must be adopted for adjusting the Budget. There are only two ways of setting the house in order: either by retrenchment or by additional taxation.

Let us see how the Government propose to balance the deficit in the Budget, which is their own creation and for which they have to thank none but themselves. They have tried to find out 64 per cent. of the deficit by additional taxation and only 36 per cent. by retrenchment. I cannot help saying that the Honourable the Finance Member had rather gone the opposite way and the percentages should have been in the reverse order.

Sir, the taxable capacity of the people has been tapped to the fullest, and any attempt to add further to their burden is certain to have serious reactions. Instead of stopping the military drain which is exhausting a large portion of the country's revenue, and making a heavy reduction in the emoluments of the superior services and abolishing some of the superfluous high posts, the Government have come out unblushingly with a surcharge of 25 per cent. on the obnoxious duty on salt, in order to squeeze the last drop of blood from the people. At a time when the financial situation of the country has been desperate, the Government have still found it easy to give away large sums of money by way of the Lee concessions, etc., to their own people. But they would not consider the exemption from additional duty on salt, on which question the whole country feels so strongly.

Salt, as we all know, is a prime necessity of life in India. The words "true or untrue to the salt" have become proverbial in this country. This shows the importance which is attached to this commodity by us. To us, Indians, it is as necessary a thing as air and water. Just as we cannot live without air and water, so we cannot live without salt. Just as air and water are free from any duty, so salt should be. But, instead of that, we are here faced with the detestable proposal to impose a surcharge of five annas on the already existing duty of Rs. 1-4-0 per maund on salt.

Sir, the proposal for an enhanced duty on salt is opposed to all healthy financial and commercial policy. It shows the utter lack of foresightedness on the part of the financial advisers of the Government and also a bankruptcy of imagination on their part. It is one of the first principles of political economy that there should be no duty on the necessities of life. The Government of this country have all along been ignoring this principle, but today they are ignoring it with a vengeance. Perhaps, they have too soon forgotten the lessons of the

last year when salt was the main plank in the armoury of the civil disobedience movement, which swept over the country from one corner to the other with such meteoric rapidity. The "Salt-Thief" is soon coming back to this country. Where would the Government be if he revived again his no-tax campaign and the raids on salt-factories, taking advantage of the increased duty on salt? I would appeal to the Honourable the Finance Member, with all the emphasis that I can command, not to insist on a surcharge duty on salt and to give up his *aid* in this matter, if he wants that Britain should continue her rule in this country further.

Sir, there is very little cost in the production of salt. As a matter of fact, it can be had in abundance on the sea-coast as Nature's free gift. The imposition of duty on it fixed its price at two annas per seer. A surcharge of duty will raise its price further, and the pity of the thing will be that the price will not rise in proportion to the duty imposed, but the middleman will make profit by raising its price out of all proportion to the surcharge imposed. The poor man will then suffer all the more.

Sir, the economic depression in the country is so acute at the present moment that many people have died of starvation, and others are finding it difficult to purchase the bare necessities of life on account of complete evaporation of money. The increase of duty by 25 per cent. on salt with the consequential increase in prices will be a severe strain on the purse of all classes and sections of the people, especially the poor, the dumb millions, *Dauidra Narayan*, so much that they will not be able to bear it. The duty on salt is already obnoxious to the people and a levy of increased duty on it will bring the whole thing down like a house of cards.

Sir, I feel quite surprisingly enough that what has not been taken into account by the Government in making these proposals for a surcharge, is the fact that instead of adding to the revenue, an increased duty on salt is certain to have quite the contrary effect. This should have been evident to the meanest intelligence. The truth of the matter, Sir, is that the present duty has reached the point of diminishing return. The more you will increase the duty, the less income it will fetch.

I sincerely think that instead of engendering ill-feeling and inviting unpopularity by the proposal of a surcharge on salt, the Government should have looked to other channels of revenue and fresh sources for raising the desired amount, even if looked at from their own point of view. A fresh substantial revenue could have been fetched by levying an excise duty on tea and coffee and mineral products, and by an export duty on hides, bones, dry fish, meat and articles which are exported for manuring purposes and by equalising the export and import duty on kerosene oil. A loss of a quarter and one crore by exemption of salt from the surcharge could have been easily met from these sources. Sir, where there is a will there is a way.

Morally, too, the Government ought to have exempted salt from the surcharge. If they are still really observing the Gandhi-Irwin truce, as they profess to do, they ought not to have brought any proposal for increase of the duty on salt, for any increase is a clear violation of that Pact. I do not know what view Mahatma Gandhi would have taken now, had he been present in the country. What was the use of granting

[Rai Bahadur Sukhraj Rai.]

concessions to salt in the Pact, however ill-meaning they at last proved to be, when the Government contemplated an increase of duty within six months of signing of the settlement?

Under all these circumstances, Sir, I feel it my humble duty to join myself in supporting the amendment which is before the House, and I hope every elected representative of the people will be true to his salt in opposing the Government in this matter.

**Mr. Badri Lal Rastogi** (Patna *cum* Shahabad: Non-Muhammadan): Sir, I beg to support the amendment moved by my Honourable friend Mr. Lalchand Navalrai. The imposition of a surcharge of 25 per cent. on the excise duty on salt is, no doubt, quite unjustifiable because the country is passing through such an economic depression at this time that the purchasing power of the masses has deteriorated to a considerable extent, and as such the rise in the excise duty on salt will tell very heavily on the poor people of India. India is an agricultural country and the unprecedented fall in the price of agricultural products has hit the people so hard that they are not up to the mark in the matter of payment of their rent, and when such is the deplorable condition of the poor masses, I do not understand how they will be able to purchase their salt. There is no denying the fact that salt is one of the prime necessities of life, and so any increase whatever in the duty thereon will impoverish them much more. We are not unmindful of the financial difficulties which have compelled the Honourable the Finance Member to resort to an increase of this taxation, but he could have easily avoided the levy of this tax had he had an honest desire to do so, because there are many other sources of revenue which could have been tapped by him. In the present condition of the people I do not think that this increase will bring the estimated revenue to the coffers of the Government; rather it will diminish the income because it is generally seen that when an article is cheaper, its demand is greater and when it is dear, its demand is smaller. Besides this, the duty comes to about six times the original cost of salt and so you can imagine as to how far this increase is just and equitable. The Finance Member must take into consideration one fact also, that it was salt and salt alone which was at the root of the last civil disobedience movement. Under the circumstances, I believe Government will realize the gravity of the situation, have some mercy on the people steeped in poverty, and drop the idea of levying this tax for the present by imposing some other export duty instead, thus winning love, sympathy and admiration of the poverty-stricken masses of India. With these few words, I support the motion.

**Mr. P. G. Reddi** (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I rise to support the amendment moved by my Honourable friend Mr. Lalchand Navalrai. There was widespread discontent in this country regarding the duty on salt when it remained at Rs. 1-4-0 a maund and that discontent will be augmented by this fresh proposal for additional taxation on salt. When the whole country has been raising a hue and cry in favour of the total abolition of this salt tax, is it fair and just at this juncture on the part of the Government to come up with proposals for additional taxation on a commodity which is a prime necessity of life defying popular wishes and setting at naught future opinion. That the Government had perpetuated this policy of imposing this duty in the past



is bad enough, but to try to raise the duty further by this surcharge is worse. They say that they want to do so for purposes of revenue. When commodity is to be taxed, the only consideration is not revenue. There are other factors to be taken into consideration, such as the effect that such imposition has on the masses of the population, the capacity of the taxpayer to pay the tax and the nature of such commodity as proposed to be taxed. The Finance Member asks the Honourable Members of this House not to be swayed by considerations of sentiment. We are not fighting against the tax on the ground of sentiment. We are fighting on the ground that the poor man should not be taxed to the extent of bleeding. My Honourable friend the Mover of this amendment said the other day that whatever additional amount is realised by this additional duty will be spent on coping with the situation that may arise therefrom. I have to endorse what he said in that connection. Under the Gandhi-Irwin Pact, the poor man is entitled to collect salt in the coastal districts for his own use, but all attempts made to manufacture salt in the coastal districts are being frustrated because Government are arresting and convicting people on some technical ground or other. I know in my own district of Nellore about 200 arrests were made and people were convicted, and the Government are sleeping over such iniquities. I for one therefore do not approve of any taxation on salt and I therefore highly deplore this humiliating additional taxation. With these words I have great pleasure in supporting the amendment of Mr. Navalrai.

**Mr. N. M. Dumasia** (Bombay City: Non-Muhammadan Urban): I move that the question be now put.

**Mr. President:** I accept the closure. The question is that the question be now put.

The motion was adopted.

**The Honourable Sir George Schuster:** As the closure has been moved from the other side, after a debate, which, in comparison with the discussions to which we have listened in past years on this question of salt may perhaps be characterised as surprisingly short, I can only conclude that the House feels that this question has been so fully argued in the past, and that all the arguments on each side are so well known that it will be better to be brief and not to go again over very well worn ground. We have had a good many of the old stories brought out, such as the influence of the duty on consumption. The Honourable Member who moved the amendment tried to indicate that when the duty was put down, the consumption increased, and that we should lose money by increasing the duty in this way. I do not want to go in detail into those figures, but would only refer my Honourable friend to the very full inquiry into that particular question made in the Report of the Taxation Enquiry Committee and ask him to trace the history of the salt duty since the middle of the last century, when it stood at something like Rs. 3½ per maund as compared with the figure of Rs. 1-4-0 at which it stands today. I would ask him to go through the history of the changes in the duty and the steady but very slight growth in consumption per head; and I think he will convince himself that the consumption of salt has increased very steadily according to the improving economic conditions of the people, and has not been affected materially by changes in the duty. There is certainly not a single example in past history which would indicate that the very small change that we propose now would have any effect at all on the consumption per head of the population. My Honourable friend, I think, also said that this was a duty which, once imposed, was never remitted.

[The Honourable Sir George Schuster.]

I would remind him of the fact that the salt tax in the fiscal system of the Government of India now plays a very much less important part than it did in the last century, and that the general tendency has been towards a reduction of the duty. My Honourable friend, Mr. Mitra, speaking this morning, said that, whenever there is any necessity for fresh taxation, the Government runs for the poor man's salt and for the rich man's income. Well, if we really go in equal shares or rather in proper proportion to both those sources of revenue I do not know that my Honourable friend has much complaint to make about it, but I would remind him that in all the difficulties through which we have been passing in the last two years we have, until this moment, refrained from touching the salt duty. And that, Sir, brings me to what is really the essential part of any short remarks that I have to offer on that subject this morning. We feel that the tax on salt is a tax which can be relied upon to produce money. We feel that it should be regarded as a sort of ultimate reserve in the Government of India's resources, and that it should only be drawn upon in case of extreme need. Well, I would ask my Honourable friends in all quarters of the House—can they imagine any occasion on which the justification for having some recourse to your ultimate reserve would be stronger than it is today? We have heard constantly throughout this debate that we have in all directions been piling burdens on so heavily that backs would break, and that we shall actually lose revenue. If, Sir, in a time like this we were debarred from recourse to this ultimate reserve, I do put it to my Honourable friends opposite that it would be an extremely bad thing for the country. And I would ask them to turn their attention to this matter with a full sense of responsibility. If that responsibility is not a present responsibility, let them at least think of the future responsibility that may rest upon them. Sir, it is a very unpleasant necessity in times like these to have to have recourse to a tax which can be represented as falling upon the poor man. But unfortunately, in India, out of 360 millions of people, it may be said that 355 millions at least are to be characterised as poor men: and if, in times of need, the Government of the country are debarred from taking a very small toll, an almost insignificant toll, from these 355 millions, then I warn my Honourable friends that they will be so limiting the powers of Government to deal with a financial emergency as to place upon the country an almost inseparable difficulty. I say that with all seriousness, because we considered the question very carefully before we turned to this measure on the present occasion, and I would ask the House to appreciate the circumstances in which we have had recourse to this measure. We have introduced this principle of a general all-round surcharge on all taxes, and we have only included the tax on salt in that general levy. We are not, in that way, in any sense altering the comparative burden of taxation; the incidence of taxation is not affected at all; and by including, to that very small extent, some of the poorest classes of the country, we do feel that we have not gone beyond what is fair nor beyond what in times like these the people affected can bear. The proposal is a very important one in our financial plan. We have estimated the extra revenue which we should by this surcharge get with very great conservatism, and as I have already indicated in an earlier speech, we must regard this as one of the most reliable features in the whole of our financial plan. And, Sir, with that importance on the public side, I would ask Honourable Members really to reflect what is the extent of the burden on the private individuals who are affected. The actual

increased burden represents considerably less, according to the average annual consumption, than one anna per head per annum! Surely, that is not a burden which justifies the violent speeches, the violent expressions, which we have heard. It is a burden which can be taken up without making any appreciable difference in the lives of any of the individuals concerned, and I would remind my Honourable friends that this duty has in practice already been in force since the end of September. I have been watching the position very carefully, and I have not heard from any quarter any expressions of grievance or complaint from the people affected. We have been watching the effect on retail prices very carefully, and I am glad to say that we find, so far as we can check the main retail trade—of course it is very difficult to check what happens in the small shops—so far as we can check the main retail trade, prices have not been put up more than was justified by the increase in the duty.

**Mr. B. Das:** Did not the Federation of Indian Chambers of Commerce oppose this, Sir?

**The Honourable Sir George Schuster:** I have no doubt that my Honourable friend is correct, but that does not meet my point at all. What I was saying was that this tax has in fact been in force for two months, and I have not detected any signs of great popular feeling about it (Hear. hear.) I was going on to say that, according to all our evidence, the extra burden has not been unduly increased by dealers, and therefore I say that with confidence we can put the measure before the House without any feeling that we are damaging interests which we should have protected. Sir, I think that is all I need say on the subject. I would ask the House to regard this as one of the most fundamental features in our proposals and to look upon it—nearly in its financial aspect—as one of the soundest measures by which we have sought to deal with the situation. (Applause.)

**Mr. President:** The question is:—

“That in clause 5, the words ‘any salt’ be omitted.”

The Assembly divided:

AYES 48.

Abdool Haroon, Seth Haji.  
 Abdur Rahim, Sir.  
 Aggarwal, Mr. Jagan Nath.  
 Azhar Ali, Mr. Muhammad.  
 Bhuput Singh, Mr.  
 Chetty, Mr. R. K. Shanmukham.  
 Chinoy, Mr. Rahimtoola M.  
 Das, Mr. A.  
 Das, Mr. B.  
 Dudhoria, Mr. Nabakumar Sing.  
 Dumasia, Mr. N. M.  
 Dutt, Mr. Amar Nath.  
 Gour, Sir Hari Singh.  
 Gunjal, Mr. N. R.  
 Harbans Singh Brar, Sirdar.  
 Hari Raj Swarup, Lala.  
 Isra, Chaudhri.  
 Jha, Pandit Ram Krishna.  
 Jog, Mr. S. G.  
 Krishnamachariar, Raja Bahadur G.  
 Lahiri Chaudhury, Mr. D. K.  
 Lalchand Navalrai, Mr.  
 Liladhar Chaudhury, Seth.  
 Misra, Mr. B. N.  
 Mitra, Mr. S. C.

Mody, Mr. H. P.  
 Murtuza Saheb Bahadur, Maulvi Sayyid.  
 Parma Nand, Bhai.  
 Patil, Rao Bahadur B. L.  
 Puri, Mr. B. R.  
 Raghubir Singh, Kunwar.  
 Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.  
 Ranga Iyer, Mr. O. S.  
 Rastogi, Mr. Badri Lal.  
 Reddi, Mr. P. G.  
 Reddi, Mr. T. N. Ramakrishna.  
 Sant Singh, Sardar.  
 Sarda, Rai Sahib Harbilas.  
 Sen, Mr. S. C.  
 Sen, Pandit Satyendra Nath.  
 Singh, Kumar Guptaeshwar Prasad.  
 Singh, Mr. Gaya Prasad.  
 Sitaramaraju, Mr. B.  
 Sohan Singh, Sirdar.  
 Sukhraj Rai, Rai Bahadur.  
 Thampan, Mr. K. P.  
 Uppi Saheb Bahadur, Mr.  
 Ziauddin Ahmad, Dr.

## NOES 55.

Ahmad Nawaz Khan, Major Nawab.  
 Anklesaria, Mr. N. N.  
 Azizuddin Ahmad Bilgrami, Qazi.  
 Bajpai, Mr. R. S.  
 Banerji, Mr. Rajnarayan.  
 Bhole, The Honourable Sir Joseph.  
 Cosgrave, Mr. W. A.  
 Orerar, The Honourable Sir James.  
 Dalal, Dr. R. D.  
 DeSouza, Dr. F. X.  
 Desanges, Mr. H. C.  
 Dyer, Mr. J. F.  
 Elliott, Mr. C. B.  
 Fazal Haq Piracha, Shaikh.  
 Fox, Mr. H. B.  
 French, Mr. J. C.  
 Graham, Sir Lancelot.  
 Griffiths, Mr. G. I.  
 Gwynne, Mr. C. W.  
 Heathcote, Mr. L. V.  
 Hira Singh Brar, Sardar Bahadur  
 Captain.  
 Howell, Mr. E. B.  
 Ishwarsingji, Nawab Naharsingji.  
 Ismail Ali Khan, Kunwar Hajee.  
 Jawahar Singh, Sardar Bahadur  
 Sardar.  
 Knight, Mr. H. F.  
 Lal Chand, Hony. Captain Rao  
 Bahadur Chaudhri.  
 Lal, Mr. S.

Montgomery, Mr. H.  
 Moore, Mr. Arthur.  
 Morgan, Mr. G.  
 Mujumdar, Sardar G. N.  
 Mukherjee, Rai Bahadur S. C.  
 Noyce, Sir Frank.  
 Pandit, Rao Bahadur S. R.  
 Parsons, Mr. A. A. L.  
 Pelly, Major H. R.  
 Rafiuddin Ahmad, Khan Bahadur  
 Maulvi.  
 Rainy, The Honourable Sir George.  
 Rajah, Rao Bahadur M. C.  
 Rama Rao, Rai Bahadur U.  
 Row, Mr. K. Sanjiva.  
 Sahi, Mr. Ram Prashad Narayan.  
 Sams, Sir Hubert.  
 Sarma, Mr. R. S.  
 Schuster, The Honourable Sir George.  
 Studd, Mr. E.  
 Suhrawardy, Sir Abdullah.  
 Sykes, Mr. E. F.  
 Tait, Mr. John.  
 Todd, Mr. A. H. A.  
 Yakub, Sir Muhammad.  
 Yamin Khan, Mr. Muhammad.  
 Young, Mr. G. M.  
 Zulfiqar Ali Khan, Sir.

The motion was negatived.

**Mr. President:** The next amendment is No. 23, by Mr. Maswood Ahmad.

(The Honourable Member was absent.)

The same amendment stands in the name of Dr. Ziauddin Ahmad.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I wish to draw attention to three very important points in connection with this motion about petrol. In the first place, I should like to mention that petrol is an article which is not only for the benefit of the rich but also for the benefit of the poor, because where there is no railway, poor people travel by means of lorries at a cheap rate. This commodity therefore affects both the rich and the poor. The second thing that I should like to make out is that there should be some kind of limit in all kinds of taxation. We find that the price of petrol in other countries is less than the amount of duty which we are asked to pay. The cost of petrol in London is less than the amount of duty proposed in this Bill, and it is about  $2\frac{1}{2}$  times the cost of petrol per gallon in America. Therefore there ought to be some limit of taxation. Here we find that taxation increases beyond its value in other countries. The third point, which is really the most important of all, is one, which I was developing on the occasion of the general discussion of the Budget. The figures which I am giving today are a little old, but Mr. Heathcote will correct me if I am wrong and give the latest figure. The cost of production of petrol is 2 annas per gallon, and the freight to Delhi is 2 annas, making

4 annas, and the profit to the Delhi dealer is 1 anna per gallon; that brings the cost altogether to 5 annas per gallon. It is sold here at the rate of Rs. 1-11-0 per gallon, out of which 8 annas goes to Government. Therefore it leaves a margin of profit of 14 annas a gallon in the pockets of the company which is represented by my Honourable friend.

**Mr. R. S. Sarma** (Nominated Non-Official):—Where did you get the figure for the cost of production from?

**Dr. Ziauddin Ahmad**: From the report published in 1928, at the time when I got the figure petrol was sold in America at 3 annas per gallon.

**Mr. L. V. Heathcote** (Nominated Non-Official): May I ask where you got the cost of the duty from?

**Dr. Ziauddin Ahmad**: From the memorandum issued by the Finance Secretary.

**Mr. L. V. Heathcote**: But you said it was 8 annas. It is 10 annas.

**Dr. Ziauddin Ahmad**: Ten annas is now proposed.

**Mr. L. V. Heathcote**: The tax is already in force.

**Dr. Ziauddin Ahmad**: I have allowed 10 annas in this calculation.

**Mr. L. V. Heathcote**: You said it was 8 annas.

**Dr. Ziauddin Ahmad**: It was 8 annas before; it will be 10 annas now.

**Mr. R. S. Sarma**: It is already 10 annas.

**Dr. Ziauddin Ahmad**: I make a further allowance of two annas per gallon for unknown expenditure; it leaves a margin of 12 annas per gallon in the pockets of the Burma Oil Company. I have calculated the consumption of petrol in India. Last year we imported about 4 million gallons and the B. O. C. supplied about 56 million gallons. This year the B. O. C. have supplied 51 million gallons and we imported about 9 million gallons from outside. The approximate consumption of petrol in India is about 60 million gallons per annum. The profit at 12 as. per gallon comes up to about Rs. 4½ crores. If the Government of India acquired the monopoly of the petrol and of the bye-products, namely, kerosene and other mineral oils, this alone would give an additional income according to my calculation of about ten crores over and above what the Government already derive from this source. Now, Sir, the Honourable the Finance Member has repeatedly challenged this side of the House and asked whether we can suggest to him any new source of income. Here I suggest to him one source—the monopoly of petrol, kerosene and other mineral oils, which will put in his pocket a revenue of ten crores. But I am perfectly certain that he will not do it, because he is not going to touch the pockets of those people who matter. The total amount of the mineral oil which is imported into India and Burma from foreign countries is 252 millions, at a cost of Rs. 11 crores, and I am positive that if the Government of India acquire the monopoly of all these mineral oils, purchase these things in the open market and arrange for their sale in their own way, it will substantially increase their profit and they can easily say good-bye to the salt tax and the salt monopoly. The income from the salt monopoly—I am speaking from memory—is about Rs. 7 crores and this can be obtained

[Dr. Ziauddin Ahmad.]

by having the monopoly of the mineral oils. The only thing that I want is to change one form of monopoly into another form of monopoly; instead of having a monopoly of salt and levying this burden upon the poor people, let them have the monopoly of the mineral oils and it will give them fifty per cent. more income than they get from salt now.

**Seth Haji Abdoola Haroon** (Sind: Muhammadan Rural): How many persons are purchasing oils?

**Dr. Ziauddin Ahmad:** How many persons are purchasing is not the direct issue, but the issue is how many persons derive benefit. There are a large number of poor people who travel in motor driven lorries. I therefore suggest very politely but firmly that the Honourable the Finance Member should take immediate steps to have the monopoly of all the mineral oils which are sold in this country. He may find difficulty, but from this side we will go on pressing year after year till we get the finances under the control of the legislature. The first thing which the Government will then do, when financial responsibility is given to the Central Government, will be to take the monopoly of these mineral oils. After all, as I have said repeatedly, we do not object to people trading in this country. We do not object to any kind of foreign capital being used for the development of natural products, but we certainly do object to their making enormous profits by conspiring together and quoting their own prices. Is there any justification for the fact that the price of the Burma Oil in London should be less than the price at which it is sold at Rangoon? Is there any justification for that? Not only that, the Burma Oil Company try to sell their petrol at a loss in London and then make good this loss from the poor tax-payers in India. I should like Mr. Heathcote to give definite facts and figures on this point as well. As I said last time, they are giving a dividend of 22½ per cent. after making allowance for lavish expenditure and very heavy overhead charges in this particular industry. This is only derived by quoting fancy prices for petrol in this country. Sir, the petrol in these days is an article of necessity; and therefore it is not a thing which we can pass over, and it is very desirable that there should not be an abnormally high price for this article. We should not be at the mercy of the B. O. C.

**Sir Muhammad Yakub:** How many crores of rupees do we give to England by purchasing cars in India annually? Has my Honourable friend calculated the money which we give to England and America annually by purchasing cars?

**Dr. Ziauddin Ahmad:** I would be very pleased to reply to that question had the Honourable gentleman given me in reply how many crores we give for purchasing railway stores, etc.

**Sir Muhammad Yakub:** That is not voluntary; that is not our doing; that is Government's doing; but it is the private individuals who are purchasing cars. Why should we not use bullock carts?

**Mr. President:** Order, order; let the Honourable Member proceed.

**Dr. Ziauddin Ahmad:** I thank the Honourable gentleman for his up-to-date suggestion, and I hope that any one who gives advice will always act upon it first.

**Sir Muhammad Yakub:** But you do not: my Honourable friend only the other day purchased a new car.

**Dr. Ziauddin Ahmad:** The point which I would like the Honourable the Finance Member to consider very carefully is whether the time has not arrived for the Government to take up the monopoly of petrol and other mineral oils because we find that all the companies have conspired—and I think I am using a very mild word—against the poor tax-payers in India and they have put fancy prices on the oils. Instead of selling petrol at the reasonable rate at which it is sold in other countries, they have really increased it by twice and in some cases three times the market rate, and compared with America it is about eight times as much, if I am not wrong. Whatever Honourable Members may say, I do not like merely empty talk, but I would like to have these facts, and I hope the gentleman representing the B. O. C. in this House will get up and quote the prices of petrol in various countries, as well as the prices of their own petrol, kerosene and other mineral products sold in different places, and then give us the reasons on the floor of this House why they are selling petrol at such a heavy price in India. With these words I would like to close my speech, but I do expect some reply. Sir, I move the amendment, that in clause 5, the words "motor spirit" be omitted.

**The Honourable Sir George Schuster:** Sir, possibly we may be able to dispose of this subject without much discussion . . . . .

**Dr. Ziauddin Ahmad:** On a point of order: may I ask whether Mr. Heathcote will give a reply on the points I raised?

**Mr. President:** The Honourable Member cannot regulate the debate.

**The Honourable Sir George Schuster:** I think it may be possible to curtail this discussion if I point out to the House the effect of my Honourable friend's amendment. My Honourable friend has painted a very rosy picture of what may be possible in the future when there is a change of management in the financial affairs of India. I do not wish to dispute that picture or to make any reference to what he has prophesied in his speech. But I wish to point out to the House that my Honourable friend has chosen a rather peculiar method of arriving at the result which he so much desires. The effect of his amendment, which seeks to eliminate motor spirit from the effect of the new surcharge on the excise duty, would be, as I am sure my Honourable friends on my right will confirm, to put a very large sum of money into the pockets of those oil companies which are now operating in India, for whom my Honourable friend, I gather, does not entertain any particular feelings of friendship. If the House were to accept my Honourable friend's amendment, they would be creating in regard to motor spirit exactly that state of affairs which as regards kerosene I believe some of my Honourable friends opposite object to—they would be giving a very substantial measure of protection to the Burma Oil Company and to other companies operating in India. I think that if that result is made clear to the House there will not be any general desire to give further time to discussing my Honourable friend's amendment, however much some of us may be interested in the wider questions which he has raised. With that explanation I venture to oppose my Honourable friend's amendment.

**Dr. Ziauddin Ahmad:** Sir, I was quite conscious of the effects of my amendment, as the Honourable the Finance Member has said. But I moved it in order to get some reply from the representative of the B. O. C. (Laughter.) Since no reply is forthcoming, I beg leave to withdraw my motion.

The amendment was, by leave of the Assembly, withdrawn.

**Mr. S. C. Mitra:** Sir, I find that we made a mistake in not moving a similar motion on the customs duty and so I do not like to press this amendment.\*

**Mr. President:** The question is that clause 5 stand part of the Bill.

The motion was adopted.

Clause 5 was added to the Bill.

**Mr. President:** As regards the next amendment† standing in the name of Dr Ziauddin Ahmad which proposes the addition of a new clause after clause 5 I should like to inform the Honourable Member that it is out of order on the ground that it is outside the scope of the Bill.

The question is that clause 6 stand part of the Bill.

**Mr. B. Sitaramaraju** (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, I move that clause 6 be omitted. Clause 6 deals with the increase of postal rates by 50 per cent. In moving this amendment, Sir, I am not unmindful of the fact that the Government are in need of money. In his search for funds, the Honourable the Finance Member has not allowed himself to be inconvenienced by any considerations of principle or policy, and in the present situation he has permitted no source to be held out as sacred in this what he calls an emergency. Imperial considerations and vested interests have effectively barred his path in his search for funds on such items as are held as the dominant factors in the financial situation of the country. He did not mind turning to those fundamental needs of the poor man as possible sources, regardless of all those considerations whether they should be taxed or should not be taxed. But, Sir, that a department headed by my Honourable friend Sir Joseph Bore and Sir Hubert Sams, should allow the very principles guiding this public utility service to be violated, is simply surprising. Though it is said that the Indian Civil servants are neither Indian nor civil, nor our servants, here we have both Sir Joseph Bore and Sir Hubert Sams, if both of them are not Indians, one who is not an Indian is just as good an Indian as the other, and both of them are civil; I know for a fact that they have been showing a genuine desire to serve this country. Such being the case, I was surprised that they should allow the Finance Member to raise these postal rates. I suppose, Sir, as they are both very amiable gentlemen, their very amiability must be the cause of their being victimised by my Honourable friend, Sir George Schuster, who in his anxiety for more money, has not hesitated to bring them within the sphere of his extortions.

\*"In clause 5, the word 'kerosene' occurring in the first line be omitted."

†"After clause 5 the following new clause be inserted and the subsequent clauses be re-numbered accordingly :

'6 In Schedule III to the Indian Tariff Act, 1894, in item No. 3, for the figure and words "5 per cent." the figures and words "2½ per cent." shall be substituted'."



**An Honourable Member:** Is not the Finance Member more amiable?

**Mr. B. Sitaramaraju:** They are of course all amiable. They, Sir Joseph and Sir Hubert, have our deep sympathy, but I am afraid that I cannot extend the same amount of respect to them. I wish to recall what I said on an earlier occasion, that the principle underlying the service as has been acknowledged by one of the predecessors of the Finance Member, himself, is that the postal service is a potent agent of civilization, and no Government is justified to treat it as a fiscal department. I would also like to point out that 60 or 70 years ago when the Government of India first established this department, they laid down a certain policy, and it is this, that this department would never be looked upon as a fiscal department but as a public utility service, and their only consideration should be whether any increase in the rates would have a prejudicial effect on the volume of traffic. That was the criterion that was what even the Government of India themselves held 60 or 70 years ago, and what any civilized Government ought to hold. But, Sir, the Government of India have since been guilty of a deliberate departure from that policy. Whether any increase of rates would have a prejudicial effect in the volume of traffic is no more held as the criterion by the Government of India, but fiscal considerations are always sought now to justify the reversal of their old policy. Sir, in 1922 we had an enhancement of the postal rates. That was, I believe, the beginning of the reversal of that policy, and notwithstanding the fact it has always been suggested by Members sitting on the Government Benches that the Department would be treated purely as a service for public utility and for public well-being. One of the predecessors of my Honourable friend Sir Joseph Bhore stated as follows:—"If you want progress, if you want education, then it is important that the postal rates should be reduced". Nevertheless, Sir, these rates are not reduced but have been even increased. In 1922 the price of the postcard was increased from quarter of an anna to half an anna, and the price of the envelope was also increased from half an anna to one anna. It must be remembered that in the matter of epistolary intercourse between people the postcard is pre-eminently the medium of correspondence of the poor man, and in the matter of these increased postal rates the Government have been guilty of discrimination, because you will find what even when in 1922 they increased these rates of the postcard from 3 to 6 pies and the envelope from half anna to one anna, they wanted to benefit the rich at the expense of the poor. In those days it was quite possible for any poor man who was using a thin letter paper and a thin envelope to send his covers under one tola the weight allowed on  $\frac{1}{2}$  anna envelopes. Now when the rates of the postal covers have been increased in 1922, the Government have deliberately increased the weights from one tola to  $2\frac{1}{2}$  tolas—why so? I shall presently tell the House. The rich always use thick paper and thick envelopes; they always find it is very difficult to send their correspondence within one tola; the same is the case with regard to foreign correspondence, and mercantile houses who have to send a large volume of correspondence, and these people could not very well send their correspondence within one tola; and so when the one tola weight was raised to  $2\frac{1}{2}$  tolas they were not very much affected, because even when the envelope was charged half-an-anna the rich and other well-to-do people used to pay one anna because their correspondence was more voluminous than that of the poor man and could not be sent in one tola weights. Thus the doubling of the rates was entirely at the expense of the poor man's postcard and also the poor man's small envelope.

[Mr. B. Sitaramaraju.]

In March last we increased the postal rates by one pie, and my Honourable friend Sir Joseph Bhore would tell us, I am sure, that it was not very happy because the trouble they had in these post offices to collect this extra one pie was not commensurate with the expected income. Practically it would appear that in some of the post offices it took nearly one whole time man to collect all these pies and keep an account. However that may be, Sir, coming to the present proposal, I wish to say that the same discrimination I referred to is allowed to operate here also. It must be remembered that the postcard was always more popular than the envelope. Now the Government propose to increase the price of both the postcard as well as the envelope by about 50 per cent., but from the statement made by the Finance Member and also from an amendment that we see standing in the name of Mr. Shillidy, we find the Government propose to reduce the price of envelopes by 3 pies, that is to say, their original proposal was to fix the price of the envelope at Re. 0-1-6, and now they want to charge Re. 0-1-3, with the result that while the postcard will be increased by 50 per cent., the envelope will be increased by only 25 per cent. It cannot be seriously contended that the postcard would be used by the rich and well-to-do people, even though they have very little matter to write, to the same extent as the poor people will use it, because the rich would rather use an envelope even though they have very little matter to communicate. Such being the case, it must be admitted that the postcard is pre-eminently the poor man's means of correspondence, and as such I should say the Government are again guilty of being unmindful of the difficulties of the poor man and they are only solicitous of the rich. If you look at it from another point of view you have this. We find under the present final proposals of the Government that the reply postcard will cost one anna and six pies, whereas the envelope would cost only one anna three pies. If it is not exactly absurd that the reply postcard should cost one anna and six pies, that is, three pies more than an envelope, I should certainly thank . . . . .

**Sardar Sant Singh:** (West Punjab: Sikh): The Honourable Sir Joseph Bhore has given notice of an amendment, namely, No. 52.

**Mr. B. Sitaramaraju:** My attention is drawn to the amendment by Sir Joseph Bhore. It reads as follows:

"In clause 6, for the words 'postcards shall be increased by one half of its amount' the words 'single postcards shall be increased by one quarter of an anna and the rate specified in respect of reply postcards shall be increased by half an anna' be substituted."

That is exactly what I am saying. He simply wanted to emphasise this fact. If it is simply said that the increase in the postcard is by 50 per cent., lest it may be construed that the reply postcard would be taken as a postcard and be treated as such, the Honourable Sir Joseph Bhore wanted to emphasise in this amendment that the reply postcard is really 2 cards and would cost Re. 0-1-6. Therefore, my point still stands emphasised. Although it may be said that the reply postcard would receive double service, still I maintain that, while you are able to send  $2\frac{1}{2}$  tolas weight of an envelope for one anna three pies, for a feather weight reply postcard you are obliged to pay something more than that. Sir, that is the way in which the Government have proposed to increase these rates. Not only that. But during the last twelve months the Government have not taken kindly to these postal rates. We find that the registration rates have been

increased, the parcel rates have been increased, and there is one significant fact which I would like to bring to the attention of this House. There have been several complaints in the working of the Postal Department, and it was once the policy of the Government to encourage the making of such complaints by allowing them postage free. To-day you cannot do so. You have to pay for it in stamps if you wish to make the complaint. My Honourable friend Mr. S. C. Mitra draws my attention to the fact that the telegraphic rates and other things also have increased. Yes, it is so, and in the case of abbreviated addresses also they have increased the rates from Rs. 15 to Rs. 25. But after all, telegrams and the like are more the concern of the rich because they are the vehicle of the rich man's correspondence,—I am not thinking of the rich man, but I am thinking of the poor man who uses postcards and letters.

We have all along been contending that these rates are excessive and that the Government are not justified in keeping them even at the existing rates. As a matter of fact, two years ago it was proposed from this side of the House that the rates should be reduced, but only two considerations were allowed to prevail with the Government on that occasion. One was that the Department would not be self-supporting and would be a greater burden on the taxpayer if the existing rates were reduced, and the second point that was made was that the volume of traffic would increase so much that it would be difficult to find the increased cost of transmission charges. Those were the two points that were then made. I wish to offer my remarks with regard to those points. As regards the first point, I would like to say that the Department is tagged on to the Telegraphs and Telephones. It is very difficult to apportion exactly what the Postal Department is costing us. There is also the question of proper apportionment of the shares on the revenue stamps, and also the question of the amount of free stamps that are given to the Native States. There is also question of the proportionate income which ought to be given to the Postal Department from the income earned by the combined offices. If a proper accounting had been made—and I am afraid that the Postal Accounts Committee have not solved that problem—if proper accounts had been made and if the postal accounts had been separately drawn up, then I am sure, notwithstanding the very top heavy nature of this Department, which seems to be the normal feature of all the Government of India's Departments, still it would be found that the department is self-supporting. Such being the case, even from the point of view of looking at this department as a commercial department, there would be no justification for increasing the burden to the consumers of postage. There would also be no justification for the way in which the lower subordinates of this department are asked to make sacrifices by means of these cuts in their salaries and lowering their standards which have been proposed. It must be remembered that the employees of a department like the Postal Department, which is run by men who do their responsible work at a great sacrifice of health and comfort, should receive better consideration at the hands of the Government than any other department would. I am not going to speak about these cuts much at the present time; as I am now concerned with the way in which these postal rates are sought to be increased to the detriment of the public.

As regards the second point that, if you cheapen the rates it would increase the amount of traffic,—then *per contra*, the argument that if you increase the rates, it must necessarily bring in diminishing returns must

[Mr. B. Sitaramaraju.]

be admitted. Before I deal with that, I am reminded of an incident when the penny postage was inaugurated in England. Then, Sir Roland Hill, the founder of the penny postage, wanted to give the cheapest means possible for the people to communicate. At that time Lord Lichfield, who was then Postmaster General, opposed the whole scheme for the same reason which the Honourable Sir Joseph Bhore's predecessor said—that it would increase the volume of the traffic, namely, that the post office would not be able to deal with all the volume of traffic, and that the cost of transmission would necessarily be increased. Lord Lichfield said that the post office would even burst with the accumulated correspondence, but, however, the post office did not actually burst. On the other hand the volume of traffic which was increased brought in 40 times its previous income to justify the lowering of the postage to the enormous gain of the State. Such being the case, it is very difficult to accept the argument that if you lower the rates, the volume of traffic would increase so much that the cost of transmission would be too high for us to be borne. To come back to the point that, if, as the Government have said, the lowering of the rates would increase the use of postage stamps, then the raising of the price must necessarily diminish the returns. In 1922, when the postal rates were increased, I find from a table in the Posts and Telegraphs Annual Report that the position was like this. In 1919-20, letters were 580 millions and in 1920-21 there were 600 millions, and then in 1921-22 they were about 610 millions. In 1922, we raised the cost of letters by cent per cent., and then there was an immediate fall in the traffic. The traffic fell to about 510 millions. It will be seen that up to the increase in the postal rates, the annual increment would come to about 10 to 20 millions a year. Since the increase in the rates, there has been a sudden fall in the use of letters, and subsequently during all these ten years, from 1922 to 1931, the original figure of 610 millions was never reached. So also with regard to postcards. In 1919-20, they were 610 millions. In 1920-21, they were 630 millions, and in 1921-22 they were 650 millions, and then suddenly there was a fall. From 650 millions it came down to 530, in 1922-23, after the rates were increased, and even in this case also, the postcards never reached the original figure that was reached in 1921-22. Here we have to take also into consideration the fact that there was already an yearly increase of 10 to 20 millions on the postcards as well as on the covers. They were gradually growing from 1919-20. Unfortunately I have not got the earlier figures, but judging from the remarks which have been made on a previous occasion they were also rising. When they raised these taxes, they stifled that yearly progress. The subsequent rise in the use of postcards on account of the expansion of trade and postal facilities and also possibly the increase in population in later years showed some increase, but the original figures were never reached. Such being the case, so far as the volume of traffic is concerned it cannot be said that these proposals would not affect them.

Then there is the question of revenue. I do not mean to say that revenue would be affected to the same extent as the volume of traffic, because it must be remembered that while the poor may be prevented from using the post office, the rich will be using the post office. They would certainly use it however much the price of postage might be and they can afford to do it also. If by turning the screw a little faster, the Honourable Sir Joseph Bhore loses some of his customers, still he may

hope to find enough to give him some revenue. Even in that case, I would like to ask him whether the amount that he would realise from the rich at the expense of the poor would be commensurate with the sufferings of the people. There is also another thing to be considered. There was a proposal actually made by the Retrenchment Committee to stop all the unremunerative offices. The department has as I have said been deliberately departing from that policy, that this service should be looked upon as a public utility service and not merely from the commercial point of view. I would like the Honourable Sir Joseph Bore to consider this. Since 1922, when the postal rates were increased, there has been a growth in bus traffic and during the last 3 years they are plying to every nook and corner. With the simultaneous withdrawal of the facilities of the Postal Department, the public are able to create facilities for themselves. It is a fact that buses are excellent means of communication. The Government have themselves realised that and 60,000 letters have been conveyed by the Government themselves in this way. It is a fact that now many people have been using these buses to convey their letters. That of course is not proper. It is an illicit way of sending these letters because under the postal rules nobody should carry letters except the Government. But if you increase the burdens on the people, the letters will be forced to be sent by buses, and as it is a fact that the buses touch many villages which the post office itself has not touched so far, in spite of 180 years of British administration in this country there will be a tremendous fall in the revenue from postage hereafter. In conclusion I wish to point out, though it may not at all be relished by the Government, that this is a matter to which people take very strong objection. The discontent that you will create by the increase in the rates to prohibitive prices and restricting the volume of traffic will not at all be commensurate with the revenue that you will get by this increase, and remember that after all the good-will of the people is the only reliable asset to any Government. With these words I move my amendment.

The Assembly then adjourned for Lunch till Ten Minutes to Three of the Clock.

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The Assembly re-assembled after Lunch at Ten Minutes to Three of the Clock, Mr. President in the Chair.

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**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhammadian Rural): Sir, I rise to support the amendment moved by my Honourable friend, Mr. Sitaramaraju. Sir, Honourable Members must have noticed that, barring clause 3 which has got a long Schedule attached to it, this clause 6 has called forth the largest number of amendments, which will go to show that the greatest amount of interest has centred round this particular clause. Sir, this clause seeks to enhance the postal rates. This is a subject over which the Members on this side of the House have been fighting for the last ten years, and I think they will go on fighting till their grievances have been redressed. But, Sir, that the Government could not see their way to accede to our request was not a matter for extreme grief considering the position in which we have been placed this year. Far from reducing the rates, for which we have been crying ourselves hoarse for the last few years, they have thought fit to increase the

[Pandit Satyendra Nath Sen.]

rates. They have been systematically going on increasing them. The rates were first enhanced in 1922. Then only last year they increased the price of envelopes by one pie—of course with a plausible explanation *viz.*, that the one pie was intended to cover the cost of stationery charges—which is nothing, I beg to submit, but a jugglery of words in which they are experts. They have also increased the rate for registration—with what explanation I do not know. They have also increased the rates for telegrams by one anna, perhaps with the explanation that that is intended to be the messenger's fee. Thus we see that they are bent upon increasing all the rates and will let no item alone. Sir, there was an amendment printed on this sheet, notice of which had been given by Mr. Shillidy, to the effect that the price for envelopes would be one anna and three pies, but that amendment has mysteriously disappeared.

**The Honourable Sir Joseph Bhore** (Member for Industries and Labour): Oh, no, no.

**Pandit Satyendra Nath Sen:** Of course Mr. Shillidy, I know, has been transferred . . . .

**The Honourable Sir Joseph Bhore:** May I explain, Sir, that though Mr. Shillidy has disappeared from the House, the amendment still stands and it stands in my name.

**Pandit Satyendra Nath Sen:** That is not the self same amendment, and I am afraid, that relates to postcards only.

**The Honourable Sir Joseph Bhore:** May I explain, Sir, that the amendment, though it is differently worded now\*, is exactly the same, so far as its meaning is concerned, as that which stood in the name of my Honourable friend, Mr. Shillidy.

**Pandit Satyendra Nath Sen:** Of course Mr. Shillidy has disappeared (Laughter)—but, this amendment which stands in the name of my Honourable friend, Sir Joseph Bhore, does not make any difference to the original expression which stands in the clause. It means nothing, because it refers to the fact that the rate for single postcards has been increased by one-quarter of an anna and that the rate in respect of reply postcards has been increased by half an anna. Does it make any difference? (Laughter.) However that may be, Sir, when the height of modern civilization demands that the postal rates should have been cheapened and popularised, the Government have thought fit to increase the rates. We are often told, Sir, of being brought into line with England. This time also we are going to be brought into line with England but not with the England of the 20th century, but with the England of the 18th or the beginning of the 19th century. In England there was a time when the postal rates were very prohibitive. Letters were not prepaid in those days, and parties would often come to a queer arrangement between themselves. Sometimes they would send blank letters simply with the address on and the addressee would often not pay the charges and receive that letter but simply rest satisfied by examining the external handwriting and concluding that the writer was still alive and,

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\*"That in clause 6 for the words 'postcards shall be increased by one-half of its amount' the word 'single postcards shall be increased by one quarter of an anna and the rate specified in respect of reply postcards shall be increased by half an anna' be substituted."

in all probability, was doing well. If that was the condition of England in the 18th century, that is going to be the condition of India in the 20th century. Sir, while opposing a similar amendment last year, Sir Joseph Bhore gave it out that they could not but oppose these proposals on the score of financial considerations. He said that revenue considerations must be decisive, and on those considerations he was bound to oppose such a proposal. Sir, I am not inclined to take those words of the Honourable Member exactly as they are. I am inclined to take them with some misgivings, because there must be some other considerations underlying their attitude. We are prepared to give them some revenue, although on a different account, but they are not inclined to accept our proposals. My friend over there, Mr. Bhuput Sing, offered to give them some revenue on account of vegetable ghee. But sanction has been refused to his amendment. Then my friend over there, Mr. Sen, who is not in his seat now, proposed some prohibitive duty on foreign coal and that proposal too has not been accepted. Sir, we are often accused of not making constructive proposals. Do the Government expect that we should go on making constructive suggestions simply to be told by the Government that "your suggestion is rejected"? Sir, the Government venture

3 P.M. to increase the postal rates repeatedly because they are convinced that the increased revenue will not be affected by the excited feeling of the people. If that were the case during past years, I may warn them that that may not be the case this year, because this measure is said to be a temporary measure, and this temporary measure can have no effect if it is not extended beyond the temporary period,—I mean to say unless and until the feelings and the excitement of the people have subsided. So, either this measure has to be extended a little further or it will be infructuous. I would therefore request my Honourable friends to support this amendment and also request the Government to reconsider their position.

Sir, before I resume my seat, I would venture to make one more constructive suggestion. If revenue considerations are to be decisive in this matter, may I suggest that the Government should, as a last resort, revive the practice of stamping bank cheques as was the case some years ago. That will affect not the poorer people but only the rich men. I must not be misunderstood as inviting such a taxation. My point is that if you insist on having such taxation, I may be prepared to have that as a choice between two evils. I hope those Honourable Members who are in affluent condition will not take me amiss, and I hope that they will be prepared to make some sacrifice in favour of the poorer people. With these few words, Sir, I beg to support the amendment.

**Sir Muhammad Yakub:** Sir, Western civilisation has brought many evils to this country in its train along with some blessings, and writing useless letters is one of them (Laughter). Sir, we find that a man is not considered a perfect gentleman unless his peon goes to the post office every morning and brings a bundle of letters and newspapers. We are murmuring about the rise in the price of postage and postcards, but we do not grumble at the very costly stationery which our fashionable gentlemen use with embossed mottoes and costly monograms. Then again, blindly following the Western habit, we have fallen into the habit of sending useless letters of congratulations on the occasion of our national festivals like the Id and the Diwali (*An Honourable Member:* "And titles") and also on the occasion of the Birthday Honours, for which my friend, Sir Hubert Sams, has now got very enticing envelopes for telegrams

[Sir Muhammad Yakub.]

which induce people to send telegrams even if they do not want to do so. We never grumble at any of these things. Again, before the advent of British rule very few people used to send letters. When it was found necessary to write a letter to any relation or friend, the services of a special messenger or the family barber were utilised and in this way many people of our country used to earn their living by carrying on the work of messengers. The sale of cheap postage and postage stamps has deprived many a person in our country of his profession of being a messenger. It is said that the poor man would suffer if the price of postage stamps is raised. I submit that it is not the poor man who writes so many letters every day. It is only three or four times a year that a poor man would write a postcard to his friend or relation. In the first place, he has not got a large circle of friends like our public men; his circle of friends and relations is mostly limited to the town in which he lives; and if he wants to send letters outside, he mostly utilises the services of a friend or neighbour who happens to go to that place on business. Therefore I do not think that the poor man would suffer very much if he has to spend a little more. Say a man writes four postcards in a year. Up to this time he had to pay 2 annas. Now he will have to pay 3 annas. I do not think that the addition of one anna per year is such that we should waste day after day in crying and saying that the poor man would suffer by the rise in the rate on postcards. If you want to stop this evil habit of writing useless letters and using very expensive stationery, I think it is only just and proper that the price of postage stamps should be raised to such a prohibitive degree that our fashionable gentlemen would think twice before sitting down at their writing tables and writing useless letters. Again, Sir, we find a lot of inflammatory matter, a lot of literature connected with communism, being circulated in the country on account of cheap postage. It is poisoning the whole country; it is ruining the life of so many promising youths of our country, and if we raise the price of postage I think that, indirectly, it would help largely to stop the circulation of this poisonous literature.

**Mr. S. C. Mitra:** Stop all education and that will serve our purpose better.

**Sir Muhammad Yakub:** Probably it will not stop the education at all. My friend, when he was learning his lessons with Sir Abdullah Suhrawardy, probably did not use postcards for receiving his lessons from him but had to go and attend his classes, and even now the student will have to do the same thing. In fact, students also, even in the days of examination, instead of learning their lessons, go on writing useless letters to their friends and wasting their time. So, in order to stop this habit of wasting time and in order to stop the circulation of this poisonous literature in the country, I think that we would be killing two birds with one stone if we raise the price of postage stamps. We get some money in order to balance our Budget, when it is so badly needed and there is stringency in the country, and at the same time we stop the evil habit of writing useless letters and the circulation of poisonous literature in the country. For these reasons, I oppose the amendment.

**Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural):** Sir, an amendment similar to this stands in my name, that there should be no surcharge on postage. I was simply amused to hear the Honourable Sir Muhammad Yakub who spoke now. What he said did not come from the



mind of a middle class man or from the heart of a poor man. It came only from a titled man's heart who, I think, has very little sympathy with the poor.

**Sir Muhammad Yakub:** It was all in sympathy with the poor.

**Mr. Lalchand Navalrai:** The economy that he suggested should come first from him. If he had that in mind and if he had been of those notions of simplicity I do not think we would have found him even so attired.

**Sir Muhammad Yakub:** I have made up my mind to curtail the number of my letters by 50 per cent. from 1st December.

**Mr. Lalchand Navalrai:** That is my argument. By increasing postal rates Government are reducing the consumption of envelopes and even postcards. We ourselves will be constrained, instead of using a cover to use a card, and it will be only in exceptional cases where the communication will have to be made confidentially, that we will use envelopes.

**Sir Muhammad Yakub:** It is only right and just.

**Mr. Lalchand Navalrai:** It is really just from our economic point of view, but it is not just to raise a tax and give money to the Government to spend on their own salaries and allowances.

Sir, to begin with, I must say that I am not going to speak long on this, especially after we have seen the fate of my amendment on salt. However, I will not be discouraged. In a matter like this Government would be well-advised to remove at least the surcharge on postcards. It is very apparent that the surcharge that is going to be levied, according to the Honourable the Finance Member, is 6 pies on an envelope, which now bears a postage of 1 anna. The increase is 6 pies and we will have to pay 18 pies for an envelope. Is it so or not?

**The Honourable Sir Joseph Bhore:** No, Sir; it is not so. If the Honourable Member will read the amendment which stands in my name, I think it will be clear to him that our present proposal is to increase the price of letters from one anna to one anna and 3 pies.

**Mr. Lalchand Navalrai:** With regard to postcards, I should like to be enlightened if there is any change.

**The Honourable Sir Joseph Bhore:** Not so far as postcards are concerned. My difficulty is that I cannot split a pice; therefore I have to put on a whole pice.

**Mr. Lalchand Navalrai:** Sir, in calculating, I think we should rather let the poor have the benefit of it instead of saying that there is a difficulty of fractions. It will be very easy to charge fractions of a pice and print cards on that basis. In any case that is no excuse at all. The increase in envelopes is going to be one pice and on cards we shall have to pay 9 pies—not fair at all. The price of envelopes will thus be 12 *plus* 3 or 15 pies, but in fact the price will be 16 pies and not 15, because since last March Government have by executive order been charging one pie more on envelopes; therefore to purchase an envelope I should have to pay 16 pies. Therefore it is not correct to say that the surcharge is 3 pies. I submit—I find no other word—on this increase in the cost of cards than

[Mr. Lalchand Navalrai.]

to say it is heinous to do so. Cards are generally used by poor men. It cannot possibly be denied that the poor man has got no money to purchase envelopes, or enjoy the luxury of writing a few words on a slip of paper, enclosing it in an envelope and sending it on as big men do. I therefore submit that so far as cards are concerned, Government are really affecting the poor men. I think Government would have been well advised to have reconsidered the question of foregoing surcharge on post cards first, instead of that on envelopes, as they have proposed now. Anyway I do not agree with the difficulty of the Honourable Member for Industries and Labour, with regard to the fraction of a pice, I do not agree that the difficulty is insurmountable, especially in these days when we have got ready-reckoners, which make out even fractions of a pice. However, to proceed further, I do not think the Finance Member has made out a case for this increase. We find that the income expected from this surcharge comes to Rs. 73 lakhs—this is to be found in the Memorandum attached to the Finance Member's first statement that was made in the House; whereas it is alleged in the Retrenchment Committee's Report that the deficit in the Department is Rs. 92 lakhs. The Finance Member says that, even after the recommendations of the Retrenchment Committee are accepted, the deficit will remain the same. If the Report of the Retrenchment Committee and the comparative statement which has been placed in our hands is read, we see that the deficit will be shorter; at any rate if full allowance is given to the recommendations of the Committee, the deficit will reduce itself, because you find that in that report as against certain items it is noted "Not estimated yet". If those items are estimated, then retrenchment will be more. That is one of the reasons for stating that this figure of the deficit is not a correct one.

Coming next to another point, people have already been charged more for telegrams; that was also by executive order. I do not think there was any reason for that. However the saving from that should be considered as a saving under this head, and that will also reduce the deficit.

Coming to another item, why is it that the foreign rate of postage is not going to be increased? If that is increased and the inland postage is decreased, then too the deficit can be met. Further, I think that the retrenchment that has been made is not as drastic as it ought to have been. It cannot be denied that in India there are several high offices under the Postal administration which are not necessary at all; and as an instance I would quote the Director's office at Karachi for which there is no necessity. I put questions on that point the other day and said that the popular feeling there was that the office should be abolished and the original system of putting it under the Bombay Presidency should be reverted to. The reply given was that an investigation had been made some time back and it was found that it could not be done for administrative reasons. I do not know what those administrative reasons are. Generally when the head of an office is asked to give his opinion, he places one or the other difficulty which is not placed before the public and it is said "Administrative reasons do not allow it". I would ask the House to consider the question whether an office like that should not be done away with and money saved. I asked in putting those questions whether the Retrenchment Committee had considered the question of doing away with that office at Karachi, and the reply was "Certainly, it has been". I have however gone through the whole Report on Postal retrenchment, and I

do not find anywhere that that question has been considered, and I therefore submit that this is also one of the points to be considered which will help to reduce the deficit by a large amount.

Public opinion on the postage point is very keen. I will not detain the House any longer but I shall place the public opinion of Sind before the House, which is contained in a resolution that has been passed recently by the Indian mercantile community of Karachi; and in that resolution they say:

"Increase in postal and telegraphic rates is another move to restrict communications and retard progress of trade and commerce. Postcards are chiefly used by poor people and small traders and a fifty per cent. increase for postage on postcards means depriving these poor people of their scanty means of communication."

Sir, I entirely and fully endorse this view, and with these words I support this amendment.

**Mr. H. P. Mody** (Bombay Millowners' Association: Indian Commerce): Sir, I would just like to say one word. My Honourable friend, Sir Joseph Bhore, interrupted the last speaker this afternoon and said that his difficulty in regard to making any alteration in the postal rate proposed by him was that he could not split it up. Now, my suggestion would be, if Government are really determined upon increasing the rates on postcards, that the rate for a single postcard might be kept at nine pies, but if at a time two were purchased then the rate should be fifteen pies, so that any man going to the counter and wanting one postcard would have to pay nine pies, but those who wanted two at a time would escape the higher surcharge and escape with only three pies extra . . . .

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): How will you keep a record in the office?

**Mr. H. P. Mody**: I am not concerned with the accounts of the post office: if I was I would be the Postmaster General. As it is I am only a private Member and my business is to make a suggestion. I have conveyed it to my Honourable friend, Sir Joseph Bhore, just now and he has promised to look into it: I thought that I would make it publicly on the floor of this House.

**Mr. C. Brooke Elliott** (Madras: European): Sir, I have examined these figures and see with very great sorrow that we are faced with a very heavy deficit in the Post Office—I think the heaviest deficit of all may be summed up in one word or rather person, Sir Hubert Sams—and I think it is a little to be regretted that on the eve of his retirement we should be here criticising the Post Office administration too keenly. When I was a small boy there was a favourite game of sending a letter to another boy for whom you had great affection unstamped, and when full of eagerness he would pay tuppence and open the letter, he would see these words of Shakespeare (if Shakespeare's they were) "*Laugh and grow fat and pay tuppence for that*". So that, there are abuses of the post office as well as in it. But if some of our agricultural friends do find this increase rather a strain upon their pockets (or wherever they keep their money if they have any after the Finance Minister has removed it in advance), there is a method which is well known in England and which led to postal reform; and I may tell it to those who have agricultural constituencies. There was a time in England when a letter cost, I think, something like two shillings or some such high figure. The wits of rural England were stirred and what

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happened was this: the son who was away from his parents arranged to write a letter once a fortnight, which he posted unstamped. The fact that the postman brought the letter to the addressee was clear proof that the son was alive and well, and accordingly the gratified parent, returned it saying, "I cannot afford to pay for the letter", having got the news that his son was safe. I think that gives food for reflection to the Honourable the Leader of the House, who with certain inherited Scotch instincts, may apprehend that that is the best way for our rural friends to deal with such problems. The advent of the postman will be a source of joy to the addressee, a source of no expense to the addressor and the Department will have had all the pleasure of . . .

**Sir Hubert Sams** (Director General of Posts and Telegraphs): The addressor has to pay.

**Mr. C. Brooke Elliott:** In advance?

**Sir Hubert Sams:** When it is returned.

**Mr. C. Brooke Elliott:** How will you get it? He will simply say, "It is not my letter"—(Laughter). If my Honourable friend thinks that that is not a convincing answer, let him go to Court and seek to recover two annas from some recalcitrant addressor, and in the end he will find he has spent a hundred rupees without getting back the one anna. Incidentally he will come to the assistance of our impoverished profession. (Laughter.)

The real answer to this is that this is an excellent form of taxation because it is almost the only form of taxation that is self-imposed. I always welcome an increase to the tobacco duties because I do not smoke; and I always welcome an increase on the drink bill because practically speaking my alcoholic requirements amount almost to zero. Similarly here. What is the cure? You need not always write; you can reduce your expenditure—I have reduced the amount I shall spend in future on waste paper baskets. Why do you not similarly reduce your letter writing? The only people I am sorry for are the public letter writers, whose income will be reduced, and to relieve whom I would suggest that the exchequer may grant a small amount: but in any event the necessary revenue must be had, and I do think that a great many letters are written which need not be answered. Anyhow there is always this happy thought that if you write to a lady, she always will answer because a woman likes the last word. So that, though it may seem a little hardship, still if Mr. Mody can arrange with my Honourable friend for some reduction on the principle that twins are cheaper than a single child, (Laughter) I think that the post office might well reduce its charges on the same principle. But looking at the matter by and large, looking at the matter from this point, whether the remedy is largely self-contained I think that the constituent House would be well advised in the prevailing emergency not to consent to my Honourable friend's motion—I was almost about to say colleague and I must congratulate my Honourable friend, Mr. Mody, on his being ready to take charge of the Post Office—I believe he is ready to take charge of the Finance Department as well. Therefore, I would ask the House to support this proposal in all seriousness. I have been serious all through with the House, and I would ask the House to pass these charges, though I quite agree with some of my Honourable friends over there that it would be rather nice if this X'mas every one of them could get 30 or 50 postcards congratulating them on having supported the

amendment. But let them go without that addition to their X'mas mail bag, and I think, Sir, that that X'mas will not really lose very much if the public writes a little less and earns a little more.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, my friend, Mr. Brooke Elliott, the Honourable Member from Madras, began by making us think that he was almost becoming a follower of Mahatma Gandhi when he suggested that in his juvenile days Satyagraha was practised against the post office in England by sending unstamped letters, which might be successfully attempted in this country. I am perfectly certain that the inspiration that has come from the Honourable gentleman will find a wider response outside this House.

**Mr. C. Brooke Elliott:** Since then great postal reforms have been introduced, and that is why I stated it.

**Mr. C. S. Ranga Iyer:** I quite agree that is how in England postal reform was initiated; perhaps a postal revolution might be initiated in this country if we follow the advice of my Honourable friend. He said that he not only practised Satyagraha, he also suggested how to get over the difficulty of paying the price of the postcard or the letter by declining to say that the gentleman who posted it actually wrote it. That is encouraging a form of diplomacy which, he was sure, would appeal to the agriculturists of this country for whom he was showing sympathy. That is not Satyagraha as Mahatma Gandhi would describe it, but it is Duragraha—that is Mahatma Gandhi's language for the opposite of Satyagraha. Perhaps this combination of diplomacy and truthfulness may not appeal to the simple villagers. I do not know what kind of response my friend is going to get in the country, but nobody will take him seriously when he begins by preaching Satyagraha and ends by calling upon all of us to walk into the lobby with him to increase the burden on the poor man. We have always felt on this side of the House that the Honourable the Finance Member, who is absent during this discussion leaving the burden to the two stalwarts of the Postal Department to bear, had real sympathy for the poor, but we shall be glad to know what Sir Joseph Bhore has got to say in this matter; we shall also be glad to hear what Sir Hubert Sams, about whose impending departure Mr. Brooke Elliott reminded Members on this side of the House, has got to say about this increase in the postal rates. Sir, we hope he will have as prosperous a career at Home when he goes Home after the strenuous career he has had in this country (Cheers), but our feeling for him as he is nearing the end of a great and useful career in this country cannot induce us to accept the rather clever appeal of the Honourable Member from Madras.

Sir, my friend, Mr. Sitaramaraju, worthy son of a worthy father,—we used to hear the words from his father, Mr. Venkatapathi Raju, on this subject some years ago; and it is really a pleasure to hear his son speaking with the same clarity, with the same logic and with the same vigour with which his father used to speak,—he has exhausted almost every point that Honourable Members have got to make on this side of the House, and I do not want to repeat his arguments. But, Sir, I understand that my Honourable friend from Moradabad, Sir Muhammad Yakub, in his sympathy for the Postal Department said that there was a likelihood of letters decreasing. In his opinion a good deal of rubbish is being

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written now-a-days. I do not know whether the Honourable Member in charge will welcome the suggestion that the Honourable Member from Moradabad has from his place in this House made to the people outside, for if they cease writing rubbish,—I do not know whether they write rubbish; poor people in India cannot afford to indulge in the luxury of writing rubbish,—but let us suppose that they do write rubbish, and if they cease writing rubbish, what will happen? The revenue which the Finance Member is so anxious to raise will decrease. Sir, I believe gentlemen like my friend, the Raja Sahib of Kollengode, will start writing postcards now that the price of the envelope has gone up, following the example of railway passengers of whose ways the Honourable the Leader of the House once spoke to us thus. When the railway rates went up, 1st class passengers started travelling second class, second class passengers started travelling intermediate class, and intermediate class passengers started travelling third class.

**An Honourable Member:** And third class passengers?

**Mr. B. B. Puri** (West Punjab: Non-Muhammadan): Third class passengers without tickets. (Laughter.)

**Mr. C. S. Ranga Iyer:** My Honourable friend from the Punjab, Mr. Bhagat Ram Puri, with his usual humour states that the third class passengers often avoided the ticket collector. That is how they hit the revenue raising policy of the Government, and the same instinct, I am sure, will prevail in this connexion. The result will be that the revenue will go down. Therefore, I do not think the Government are following a right policy.

Lastly, Sir, I have only one thing to say, and that is, this Budget is not a poor man's Budget. We have shown how raising the salt tax hits the poor; we have shown again how bringing down the figure of the assessable income to Rs. 1,000 hits the poor; by the introduction of the 10 per cent. cut in the salaries of poor clerks and others many of whom are drawing a mere pittance, we have shown how the Budget hits the poor again; and now by adding to the price of the postcard and the letters, Government are hitting the poor again. Sir, the poor people in this country cannot be happy over this Budget, and even Honourable Members on the Official Benches will not deny the fact that India is the poorest country in the world.

**Mr. Muhammad Yamin Khan:** Sir, I support the amendment which has been moved by my Honourable friend, Mr. Sitaramaraju. In doing so, I do not want to go into the vexed question of whether it is only sentiment when we say that the poor man is going to be hit hard by this increase. I do not think that there are many poor people who write postcards or letters very often, if we take into consideration the fact that these people cannot afford to write any letter at all. But the question is different when you look at it from the point of view whether this increase is really necessary or whether it is an extra burden even on those frivolous people who indulge in this luxury by writing rubbish as it is termed by some Honourable Members here. I think those people who indulge in writing rubbish and frivolous letters contribute a great deal to the exchequer by this so-called folly of theirs. When we are dealing with pure financial questions, we can welcome those people who contribute in any shape or form to the revenues of the Government.

My Honourable friend, Sir Muhammad Yakub, has said that he is determined in future to curtail his letter writing by 50 per cent. (*An Honourable Member*: "He says he has already reduced it".) No. He is going to curtail it by the 31st December. Now, if my Honourable friend curtails his letter writing by 50 per cent. I do not know whether my Honourable friend, Sir Hubert Sams, will welcome such a determination on the part of any person.

**Dr. Ziauddin Ahmad**: He will lose 25 per cent.

**Mr. Muhammad Yamin Khan**: The Government will be a great loser if this is encouraged, if letter writing is decreased. I do not take this seriously, and I do not think that if support comes to the Government on this consideration, from whatever quarter it may be, that will be a kind of patriotism or help to the Government in any way. It will really discourage letter writing and bring loss to the Government rather than help them.

I want to examine this question from the point whether the post office is really a commercial concern or not, whether it is run on commercial lines, or it is not. If it is a commercial concern, it ought to be made strictly a commercial concern, but judging by what we found on the Retrenchment Sub-Committee, it is not run on commercial lines. We have found that there exist a huge number of post offices over which the Posts and Telegraphs Department has got no control. If the Director General of Posts and Telegraphs wants to abolish them or close them he has got very little voice in the matter. (*An Honourable Member*: "Why?"). There are certain post offices which are recommended by the Local Governments; some are recommended by the Indian States which have to be opened and they are run at a great loss. We found that the Department is losing a great deal of money on these unremunerative post offices. Still, there is an order from the Department that only those post offices are to be closed—now of course, there is a recent order which says that if a post office loses Rs. 10 a month, that is Rs. 120 a year—formerly it used to be a much bigger sum,—it must be closed down. Within the last few years the number of post offices has gone very high, and most of them are unremunerative and the Department is bound to lose on them. That policy had been adopted by the Government on account of two reasons, one, pressure from the Local Governments, and secondly, pressure from Honourable Members of this House. Another class of post offices are those opened where military strategy or political necessity demand it; they are also unremunerative. Now, the salaries have increased simultaneously within the last few years, under demand from this House. There has been such a change in the salaries since 1925 that they have gone up very high. Out of Rs. 8½ crores, which is spent on the salaries of all the employees, Rs. 50 lakhs is spent on the gazetted officers, and Rs. 8 crores is spent on the salaries of the establishment, that is, clerks, peons, etc. Rs. 8 crores salaries of establishment out of a total expenditure of Rs. 11 crores—that is really responsible for this loss which has come upon the Post Office. Another anomaly which we found on the Sub-Committee was this. You have the General Service and Station Service telegraphists. The station Service man gets Rs. 55 as the starting salary and goes up to something like Rs. 125, while the General Service man gets a starting salary of Rs. 80 and goes up to Rs. 250, but we found in Bombay both these classes of men sitting side by side were doing the same kind of work and with equal efficiency. We examined every official who came before the Committee whether they could justify these two

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different classes, but they could not. The difficulty is this, that the General Service is so much overloaded that they have a large surplus so that there will be no necessity for the next five years for any new employee to be taken on. If you could introduce new lower scales, that could not appreciably affect the position because the staff is so much surplus that they cannot be done away with very easily. I am not blaming the Honourable Member in charge or Sir Hubert Sams for this result. This policy was adopted a long, long time ago, and until it is abolished they have to carry it out. That policy exists, and it is continuing, and it has got to be abolished. There is a great scope for retrenchment in this class. If we cannot do away with the General Service men who are getting very high salaries, we can ask for a halt up to a certain extent, and if that halt is brought about, then a lot of saving can come from this class alone. There must be a suspension of further increments after a certain amount. A man who was appointed last year as a General Service man—there is no reason why that man should continue to draw the same annual increment which was allowed to him by a wrongly adopted policy, and should not be given that salary which is recommended for the future entrants who are going to be appointed. If we appoint one man on Rs. 55 this year, with an annual increment of Rs. 5, there is no justification that the man who was appointed last year at Rs. 80 with an annual increment of Rs. 10 should exist side by side with him. There is scope for retrenchment in this direction which could be touched and which will be touched and which ought to be recommended in the future but the Committee had very little time to go into the details. When we had to meet for the preliminary work in Bombay there was no time there for proper work, but when we came to Simla the Committee had to sit during the very hours when the Assembly was sitting, and we could not be expected to sit in the Assembly and at the same time do the Committee work in Kennedy House. Therefore most of the problems which could have been tackled were not tackled, because no time was available. If we knew the financial position, there would have certainly been found means for a more drastic retrenchment, so that there might be more saving this year and next year, but that was not possible when we were considering only a deficit of one crore, 47 lakhs. There was difficulty in accounting for 90 lakhs. Doing away with that, we came to know that there were certain post offices for which the Posts and Telegraphs Department was not really responsible for the loss which they were bringing, but that policy had been dictated to them from outside the Department, and they were bound to follow that. That commercial aspect had been lost sight of as soon as the commercial concern was not run on commercial lines. I find that these post offices, which were unremunerative, instead of being departmental post offices, are being made extra-departmental post offices. In one place the Sub-Postmaster was getting Rs. 110. By making it extra-departmental, that man who is in charge gets only Rs. 20 more. If this process is carried on to a greater extent, then a remedy can be found for the post offices which are unremunerative and this will lead to decrease in expenditure. If the policy and advice suggested by my friend, Sir Muhammad Yakub, is followed, that was also suggested by Mr. Elliott, then the revenue will be appreciably less and it will bring an unnecessary hardship on the people concerned in trade and commerce. In the winter session this year, we had an amendment by Khan Bahadur Haji Wajihuddin that the price of postcards should be reduced to three pies. That day we had a discussion.



**Khan Bahadur Haji Wajihuddin** (Cities of the United Provinces: Muhammadan Urban): My amendment was about packets, not postcards.

**Mr. B. Das:** On a point of information. I find my friend, Sir Muhammad Yakub, writing letters. Is it part of retrenchment?

**Sir Muhammad Yakub:** These are local letters. No postage is required.

**Mr. President** (To Mr. Yamin Khan): Please go on.

**Mr. Muhammad Yamin Khan:** This hardship and inconvenience could be avoided if Government had a little patience and by retrenchment it will be possible to bring down expenditure to such an extent that there will be no necessity for this increase in postal rates. This will only increase unnecessary agitation in the country without any results.

**Mr. B. R. Puri:** I just wish to say a few words. Up to a certain stage of the debate, I understood the Government case was that on account of financial stringency they were in need of extra revenue. One of the new methods that they hit upon was to put a surcharge upon the postcards and postal covers. From their point of view, it was a revenue measure. But then came my Honourable friend, Sir Muhammad Yakub, and he put in a new idea into our heads and after hearing him we came to learn that it was in reality a penal measure, the object of which was to prevent people from resorting to useless letter writing and he took the opportunity of broadcasting advice addressed to his own countrymen against indulging in useless correspondence. To my mind these two objects seem diametrically opposed to each other. If the Government were expecting to make something extra, then Sir Muhammad Yakub's view is wrong. If on the other hand Sir Muhammad Yakub's view is correct, then these increased postal charges will act as deterrent, and people would be discouraged from resorting to correspondence and this supplemented with his advice that people should refrain from useless correspondence, would have the opposite effect of what the Government hope to achieve. The result will be that instead of the Government securing extra revenue, they will be disappointed in not being able to secure what they

4 P.M. were getting previously. It is with a view, therefore, to get some more light on this subject that I have ventured to address these few words to the House. I have not so far heard the official view as to whether the Government really expect to derive any benefit from this proposed tax, or whether there is any likelihood of their losing something, but my Honourable friend, Sir Muhammad Yakub, presented a view which if not official is at least a demi-official interpretation (*Mr. C. S. Ranga Iyer*: "Semi-official".) Let it be semi-official, if that would express the meaning better. The debate was almost getting dull, when new life was imparted to it by Sir Muhammad Yakub when he put forward an original idea, *viz.*, that the imposition of this particular tax was justified in order to punish people who were already indulging in useless correspondence. What is useless correspondence? My Honourable colleague did not enlighten us on that point.

**Sir Muhammad Yakub:** Not writing to our clients.

**An Honourable Member:** And to our wives.

**Another Honourable Member:** And to our sweethearts.

**Mr. B. R. Puri:** Now if my Honourable friend will not take it amiss, I would like to ask a question. Suppose a colleague of ours was created a Knight, and suppose a large number of his friends and admirers wrote to him letters conveying their congratulations to him, would he consider that a useless letter writing or a useful letter writing?

**Sir Muhammad Yakub:** I will return the answer on the next New Year's Day.

**Mr. B. R. Puri:** Well, Sir, different people may have got different ideas as to the usefulness or uselessness of letter writing, but I think it is a necessary incident of modern life. My Honourable colleague has chosen this opportunity to broadcast his advice, but he really forgets that we are not living in the good old days the picture of which he has tried to paint. Evidently he is anxious to restore the old order of things. I remember the old days when if a person by any chance got a telegram, people flocked round him because they knew that somebody must have been dead since a telegram had come. At the present moment perhaps my Honourable friend in the course of the day is getting a good many letters. But I would like to know with all seriousness whether he has issued this valuable advice on any previous occasion to any of his friends—"You are resorting to useless correspondence and thereby increasing the revenue of the Government". Sir, if I could correctly interpret the mind of the Honourable the Finance Member, I think he would be looking at my friend, Sir Muhammad Yakub, and saying inwardly, "Save me from my friends". If, as a matter of fact, the imposition of this extra postage is going to lead to the stoppage of letter writing, useful or otherwise, and if Sir Muhammad Yakub is out to see that such letter writing is stopped, then the Government should at once withdraw the new tax. If Sir Muhammad Yakub's view is correct, then the Government are really taking a suicidal step, because, rather than improve their financial position, they would be worse off.

**Several Honourable Members:** The question may now be put.

**The Honourable Sir Joseph Bhore:** Sir (Loud cheers), it did not need the hurried row of amendments on the notice paper to remind me of the interest which the House has always taken in the question of postal rates (Hear, hear). I venture to hope, however, that their attitude towards me in this matter will not be that of the good-natured man who always listened to reason after he had made up his mind, because then he knew that reason could do no harm (Laughter). I venture to hope, Sir, that, after it has heard the statement of the Government case, the House will refrain from pressing home this threatened mass attack. I wish to place before it a plain, unembroidered statement of that case and I think my purpose will best be served by a brief summary of the salient financial aspects of the problem which the Posts and Telegraphs Department presents. The Posts and Telegraphs Budget for the current year anticipated a deficit of approximately Rs. 141 lakhs. Assuming for the moment that we take no alleviative measures, that anticipation, judging from the actuals of the first few months of the year, is likely to err grievously on the side of optimism. We should be extremely lucky,

Sir, if now we had to face a deficit of not more than Rs. 181 lakhs at the close of the year. How, Sir, do we propose to meet this disastrous situation? Even allowing for all the accounting adjustments recommended by the Posts and Telegraphs Accounts Inquiry Committee, which, as my Honourable colleague, the Finance Member, has pointed out, would bring no relief to the *general* revenues of the Government of India, whatever they might do to the Posts and Telegraphs Budget, there would still be a gap of not less than Rs. 132 lakhs to cover. The problem before us is to relieve general revenues of the burden of this extremely heavy threatened deficit. And how do we propose to do that? Firstly, by retrenchment, and secondly, by increases in postal rates. The Retrenchment Sub-Committee—and here I would like to pay a public tribute to its labours (Hear, hear)—has made recommendations which, as far as it is possible to assess in terms of money, promise a saving, in the immediate future of about 66 lakhs. The Government have already accepted the Committee's recommendations to the extent of 60 lakhs, and I regret I am not in a position to say with certainty how much of the remainder we shall be in a position to accept. A few small further savings may still be possible, but as regards material economies, the Retrenchment Sub-Committee's proposals cover all the most fruitful fields, and in those fields, as far as I can see at present, they have gone to the utmost practicable limit of immediate retrenchment. I say this with all due deference to my Honourable friend, Mr. Yamin Khan. Even allowing for the retrenchment we have been able to accept, we have still to face a deficit of no less than 72 lakhs. Having exhausted the method of retrenchment, we have, I am afraid, no option whatsoever but to enhance the rates for services rendered to the public by the Posts and Telegraphs Department *to the extent of the cost of those services* if we desire to bridge the yawning gap between receipts and expenditure.

What is the alternative? The alternative, it seems to me, is to say that there must be no increase in rates, and that general revenues should bear the burden of the deficit. Paraphrased into plainer language, what does that mean? It is not the bulk of the population that is concerned to any material extent. It is people like ourselves in this House who make the largest use of postal facilities, and if we refuse to enhance these rates, we should be refusing to pay the actual cost of services rendered to us by the Posts and Telegraphs Department and we should in effect be asking that we should enjoy those facilities at the cost of some one else. In other words, Sir, we should be transferring the burden to those very shoulders which it is our professed desire to save. That, Sir, is the justification for increasing these rates.

There has, I am afraid, been some misunderstanding and misconception as to the general policy of the Department and I should like to re-state that policy. I cannot do this better than in the words of a distinguished predecessor of mine, Sir Atul Chatterjee. On the 12th March, 1924, this is what he said in this House:

"I entirely agree with Mr. Neogy in considering that the Post Office should be looked upon as a public utility service. But in the same way as the Railways and any other organisations which are for the benefit of the general public and are looked upon as public utility services should at the same time pay their way. I consider that the Posts and Telegraphs Department should pay its own way and I have the authority of my Honourable colleague, the Finance Member, in saying that the Government do not look to the Postal and Telegraph Department as a revenue

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earning Department. I hope this will satisfy my Honourable friend. It has to be remembered that the Government enjoy a valuable monopoly in the Postal and Telegraph Department and in my view that monopoly should be so worked as to be a source of benefit to the general tax-payer without being a burden on him."

I would like, Sir, to supplement that statement of Sir Atul Chatterjee's with a quotation from certain remarks which I made on the 23rd March, 1931. I then said:

"When we are assured that surpluses have come to stay, we shall use them for the extension of postal facilities, for re-organisations which may be necessary in order to ensure the highest efficiency and also for revisions of rates which may be possible and reasonable."

That statement of policy, Sir, still holds good, and I would ask the House particularly to pay attention to the future policy there indicated.

Sir, this House has always in the past laid special stress—and if I may venture to say so rightly laid stress—on the need for the wide extension of postal facilities in rural areas, where most of our unremunerative post offices are to be found. I fear, Sir, that in pursuance of the recommendations of the Retrenchment Committee, and in order to secure essential economy, we may now be forced to close a large number of those unremunerative offices, but I had hoped that the closure would be temporary if through these enhanced postal rates we were able to rehabilitate the financial position of the Posts and Telegraphs Department. But, Sir, if the House pursues its kindly desire to save my pocket from the extra pice on my correspondence, then I fear that the realisation of that ideal, namely, the wide extension of postal facilities in rural areas, which has in the past been envisaged in this House and towards which we had made some definite progress, will be relegated to the Greek Calends.

I now come to certain specific criticisms. I may say at once that I do not intend to advert to criticisms of minor administrative details such as those which have fallen from one or two Honourable Members. It is inevitable that there should occasionally be cause for just complaint in the administration of a department which employs over 130,000 individuals and operates over a sub-continent. But I do appeal for a more correct perspective in criticisms of the Postal Department, for I dare venture to assert that, having regard to the immense territorial range of its activities and the enormous difficulties which it has daily to face and overcome, in the honesty, the loyalty and the efficiency of the service rendered to the public, the Indian Post Office has few equals and I think no superiors in the world (Applause). The suggestion has been made, Sir, that the immediate result of an increase of rates will be a fall in revenue and that considerable time must elapse before the initial adverse effect can be counteracted. Experience in the past is entirely against that suggestion. Increased rates in the past have, it is true, resulted in an immediate diminution of the number of articles carried through the post, but as far as I know, without exception they have also resulted in an immediate increase of revenue. I do not say, Sir, for one moment that our estimate of the yield of these increased rates will on this occasion not be falsified. I admit frankly that we are here venturing into the region of conjecture. But this I do say, that whereas there may be some doubt as to whether these increased rates will give us all that we expect, there is no doubt whatsoever that without them we shall involve our Budget in still more disastrous deficits. My

Honourable friend, Mr. Sitaramaraju, said, if not to-day I think a few days ago, that the normal growth of postal traffic at the existing rates would give us all that we wanted in the way of extra revenue. Now, I know that many good things come from Madras, but I am afraid that suggestion is not one of them. My Honourable friend's argument can be shown by a simple arithmetical calculation to be without foundation. Even assuming an annual increase of 10 million in the postcard traffic, as I think he did, and ignoring for the moment the wholly unjustifiable optimism of that assumption, then, Sir, at the existing rate that would bring us a nominal increase of barely Rs. 3 lakhs, while at the same time we should have to increase our expenditure to meet the cost of this additional traffic. On the other hand, even if our existing traffic fell from 500 million postcards to 400 million postcards, the increased rates would bring us in not less than Rs. 25 lakhs while at the same time our cost of handling the traffic would be materially diminished. I fully realise the genuine anxiety on the part of Honourable Members in this House in regard to the effect of these higher rates on the poorer sections of the community. I yield to no one in my solitude for these sections. But I have been warned, Sir, not to allow the softness of my heart to extend to my head, and I have therefore endeavoured to make a careful examination of the possible effects of these increases, especially in respect of postcards. Our statistics show that we carried last year in round numbers 536 million postcards—approximately 3 per head of the adult population of the country. If we assume that the use of the postcard is uniform and universal, our extra charge would mean an extra 3 pice per head per annum on the adult population of the country—not, I venture to think, Sir, an intolerable burden. If, on the other hand, we assume that the use of the postcard is limited to, say, 50 millions of the population only, then each one of those 50 millions would now be called upon to pay something like  $\frac{1}{3}$ th of a pice per month more than he is doing at present, assuming that he did not contract his correspondence, while the majority of the population, 350—50 millions, would remain absolutely untouched. Before, Sir, we accept too readily the cry of burdening the poor, let us remember that the majority of this class barely come into the picture at all, that having regard to the total traffic, the larger the number of users the more insignificant is the burden on the individual, while the smaller the number of users, the larger the number of those who remain unaffected. Let us remember, Sir, that we are really trying to levy a charge which bears a reasonable relation to the cost of the services we are rendering. It costs us almost as much to carry a postcard as a letter, and that, I think, Sir, is the reason why Canada charges as much for a postcard as for a letter. Let us remember, Sir, that the payment of this charge is voluntary, that it can be escapable and that its incidence can be regulated within limits by each individual as regards himself. My Honourable friend, Mr. Sitaramaraju, suggested that the telegraph, telephone and postal sections should be separated in order to reflect the true financial position of each. Now, what the resulting position will be I cannot say. It is to be noted, for instance, that the telephone branch is the only one working at present at a profit; but so far as my information goes, practically every country in which Government run these services follows our practice. With reference to my friend Mr. Mody's suggestion, I had understood him to suggest that a reply postcard should be sold for 15 pices, and it was in that sense that I promised and promise to look into the matter. I notice, Sir, that some apprehension exists in the minds

[Sir Joseph Bhore.]

of certain Members that foreign postal rates will remain unchanged. I would like to remove that misapprehension. Foreign postal rates are fixed under an International Convention on a gold franc basis, and in any circumstances we should have to increase our charges to make up for the fall in the gold value of the rupee. I may say that, for instance, the letter rate to the United Kingdom and to the other parts of the British Empire will now be raised in the same proportion, namely 25 per cent. as our inland letter rates, that is to say, the present charge of two annas will be increased to  $2\frac{1}{2}$  annas.

**Mr. B. Das:** Is not the British rate to India  $1\frac{1}{2}$  pennies?

**The Honourable Sir Joseph Bhore:** The rate from India is two annas and we propose . . . . .

**Mr. B. Das:** What is the rate from England to India? Does it conform to the International Convention?

**The Honourable Sir Joseph Bhore:** We are dealing with Indian and with British rates.

It has been suggested, Sir, that our proposed charges are higher than those which prevail in other countries of the world. I think it was my Honourable friend, Mr. Chetty, who made that suggestion some days ago. Now, Sir, I have gone into the matter, and as far as my present information goes, it does not bear out that allegation. At present levels of exchange, I find that it is only in Belgium and in Japan that the postal rates are slightly lower than our present proposed rates. I must explain that I have left China out of account, as owing to the prevalence of different rates in different parts of that country, and also because of other reasons which I need not specify here, comparison is not practicable. But I say, Sir, that even Japan and China do not afford a comparable case. The Belgian rate of Re. 0-1-2 for a letter and the Japanese rate of about one anna do not compare in real cheapness with our proposed rate of Re. 0-1-3. The distances to be covered in Belgium are microscopic compared with the distances over which we have to operate; and so far as Japan is concerned, the area of the country is about the area of one of our provinces, and that, Sir, must also be taken into account. The factor of distance is one of great importance, and it is too often entirely ignored. The longer the distance, whether transport is by road or by rail or by water, the more it costs us to carry a letter, and I asserted, Sir, without fear of contradiction, that we are giving an indefinitely cheaper service to the public when we offer to carry a letter from Cape Comorin or Victoria Point to Peshawar for Re. 0-1-3, than does, for instance, the British Post Office which charges Re. 0-1-4 for carrying a letter from John o' Groats to Lands End, or the Belgian Post Office which is prepared for a charge Re. 0-1-2 to carry a letter over an area less than half the size of one district in the Madras Presidency.

Sir, we have done our best consistently with our legitimate desire to balance the Posts and Telegraphs Budget to impose no unfair burden either on the staff by way of retrenchment or on the public by way of unnecessarily high rates.

**An Honourable Member: Question.**

**The Honourable Sir Joseph Bhoré:** I have placed the alternatives before the House and I would ask the House not to refuse to sanction the higher rates which are proposed in this Finance Bill. Those rates, Sir, come up before the House periodically for its scrutiny and for its sanction, and if it appeared that the financial position of the Posts and Telegraphs Department ceased to warrant the continuance of the rates that we are now proposing, it would be open to the House to withhold its sanction when next we came before it. (Applause.)

**Mr. S. O. Mitra:** I move that the question be now put.

**Mr. President:** I accept the closure. Does Sir George Schuster wish to reply?

**The Honourable Sir George Schuster:** I have nothing to add to what my Honourable colleague has said.

**Mr. President:** The question is:

"That clause 6 be omitted."

The Assembly divided:

AYES 63.

Abdoolah Haroon, Seth Haji.  
 Abdur Rahim, Sir.  
 Aggarwal, Mr. Jagan Nath.  
 Anklesaria, Mr. N. N.  
 Azhar Ali, Mr. Muhammad.  
 Badi-uz-Zaman, Maulvi.  
 Bhuput Singh, Mr.  
 Chand Mal Gola, Bhagat.  
 Chetty, Mr. R. K. Shanmukham.  
 Chinoy, Mr. Rahimtoola M.  
 Das, Mr. A.  
 Das, Mr. B.  
 Dudhoria, Mr. Nabakumar Singh.  
 Dumasia, Mr. N. M.  
 Dutt, Mr. Amar Nath.  
 Gour, Sir Hari Singh.  
 Gunjal, Mr. N. R.  
 Harbans Singh Brar, Sirdar.  
 Hari Raj Swarup, Lala.  
 Ibrahim Ali Khan, Lt. Nawab  
 Muhammad.  
 Ishwarsingji, Nawab Naharsingji.  
 Ismail Ali Khan, Kunwar Hajee.  
 Isra, Chaudhri.  
 Jha, Pandit Ram Krishna.  
 Jog, Mr. S. G.  
 Krishnamachariar, Raja Bahadur G.  
 Lahiri Chaudhury, Mr. D. K.  
 Lalchand Navalrai, Mr.  
 Misra, Mr. B. N.  
 Mitra, Mr. S. C.  
 Mody, Mr. H. P.  
 Mujumdar, Sardar G. N.  
 Murtuza Saheb Bahadur, Maulvi  
 Sayyid.

Pandit, Rao Bahadur S. R.  
 Parma Nand, Bhai.  
 Patil, Rao Bahadur B. L.  
 Puri, Mr. B. R.  
 Rafiuddin Ahmad, Khan Bahadur  
 Maulvi.  
 Rajah, Raja Sir Vasudeva.  
 Rajan Bakhsh Shah, Khan Bahadur  
 Makhdum Syed.  
 Ranga Iyer, Mr. C. S.  
 Rastogi, Mr. Badri Lal.  
 Reddi, Mr. P. G.  
 Reddi, Mr. T. N. Ramakrishna.  
 Sant Singh, Sardar.  
 Sarda, Rai Sahib Harbilas.  
 Sen, Mr. S. C.  
 Sen, Pandit Satyendra Nath.  
 Shah Nawaz, Mian Muhammad.  
 Singh, Kumar Gupteshwar Prasad.  
 Singh, Mr. Gaya Prasad.  
 Sitaramaraju, Mr. B.  
 Sohan Singh, Sirdar.  
 Suhrawardy, Sir Abdullah.  
 Sukhraj Rai, Rai Bahadur.  
 Talib Mehdi Khan, Nawab Major  
 Malik.  
 Thampan, Mr. K. P.  
 Uppi Saheb Bahadur, Mr.  
 Wajihuddin, Khan Bahadur Haji.  
 Wilayatullah, Khan Bahadur H. M.  
 Yamin Khan, Mr. Muhammad.  
 Ziauddin Ahmad, Dr.  
 Zulnagar Ali Khan, Sir.

## NOES 46.

Ahmad Nawaz Khan, Major Nawab.  
 Allah Baksh Khan Tiwana, Khan  
 Bahadur Malik.

Azizuddin Ahmad Bilgrami, Qazi.  
 Bajpai, Mr. R. S.  
 Banerji, Mr. Rajnarayan.  
 Bhore, The Honourable Sir Joseph.  
 Cosgrave, Mr. W. A.  
 Czerar, The Honourable Sir James.  
 Dalal, Dr. R. D.  
 DeSouza, Dr. F. X.  
 Desanges, Mr. H. C.  
 Dyer, Mr. J. F.  
 Elliott, Mr. C. B.  
 Fox, Mr. H. B.  
 French, Mr. J. C.  
 Graham, Sir Lancelot.  
 Griffiths, Mr. G. I.  
 Gwynne, Mr. C. W.  
 Heathcote, Mr. L. V.  
 Hira Singh Brar, Sardar Bahadur  
 Captain.

Howell, Mr. E. B.  
 Knight, Mr. H. F.

Lal Chand, Hony. Captain, Rao  
 Bahadur Chaudhri.  
 Lall, Mr. S.  
 Montgomery, Mr. H.  
 Moore, Mr. Arthur.  
 Morgan, Mr. G.  
 Mukherjee, Rai Bahadur S. C.  
 Noyce, Sir Frank.  
 Parsons, Mr. A. A. L.  
 Pelly, Major H. R.  
 Rainy, The Honourable Sir George.  
 Rajah, Rao Bahadur M. C.  
 Rama Rao, Rai Bahadur U.  
 Row, Mr. K. Sanjiva.  
 Sahi, Mr. Ram Prashad Narayan.  
 Sams, Sir Hubert.  
 Sarma, Mr. R. S.  
 Schuster, The Honourable Sir George.  
 Scott, Mr. J. Ramsay.  
 Studd, Mr. E.  
 Sykes, Mr. E. F.  
 Tait, Mr. John.  
 Todd, Mr. A. H. A.  
 Yakub, Sir Muhammad.  
 Young, Mr. G. M.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday,  
 the 17th November, 1931.